This is a digital copy of a book that was preserved for generations on library shelves before it was carefully scanned by Google as part of a project to make the world's books discoverable online.

It has survived long enough for the copyright to expire and the book to enter the public domain. A public domain book is one that was never subject to copyright or whose legal copyright term has expired. Whether a book is in the public domain may vary country to country. Public domain books are our gateways to the past, representing a wealth of history, culture and knowledge that's often difficult to discover.

Marks, notations and other marginalia present in the original volume will appear in this file - a reminder of this book's long journey from the publisher to a library and finally to you.

Usage guidelines

Google is proud to partner with libraries to digitize public domain materials and make them widely accessible. Public domain books belong to the public and we are merely their custodians. Nevertheless, this work is expensive, so in order to keep providing this resource, we have taken steps to prevent abuse by commercial parties, including placing technical restrictions on automated querying.

We also ask that you:

+ *Make non-commercial use of the files* We designed Google Book Search for use by individuals, and we request that you use these files for personal, non-commercial purposes.

+ *Refrain from automated querying* Do not send automated queries of any sort to Google's system: If you are conducting research on machine translation, optical character recognition or other areas where access to a large amount of text is helpful, please contact us. We encourage the use of public domain materials for these purposes and may be able to help.

+ *Maintain attribution* The Google "watermark" you see on each file is essential for informing people about this project and helping them find additional materials through Google Book Search. Please do not remove it.

+ *Keep it legal* Whatever your use, remember that you are responsible for ensuring that what you are doing is legal. Do not assume that just because we believe a book is in the public domain for users in the United States, that the work is also in the public domain for users in other countries. Whether a book is still in copyright varies from country to country, and we can't offer guidance on whether any specific use of any specific book is allowed. Please do not assume that a book's appearance in Google Book Search means it can be used in any manner anywhere in the world. Copyright infringement liability can be quite severe.

About Google Book Search

Google's mission is to organize the world's information and to make it universally accessible and useful. Google Book Search helps readers discover the world's books while helping authors and publishers reach new audiences. You can search through the full text of this book on the web at `http://books.google.com/`

onomi
Lauderdale

F. [illegible] 1874.
Vol. 4 p. 355. c. this work.

AN

INQUIRY

INTO THE

NATURE AND ORIGIN

OF

PUBLIC WEALTH,

AND INTO THE

MEANS AND CAUSES OF ITS INCREASE.

BY

THE EARL OF LAUDERDALE.

LIBRARY OF THE UNIVERSITY OF CALIFORNIA

EDINBURGH:

PRINTED FOR ARCH. CONSTABLE & CO., EDINBURGH:

AND

T. N. LONGMAN & O. REES, LONDON.

1804.

HB161
.L3

48449

Printed by A. Neill & Co.
Edinburgh.

TO

HIS ROYAL HIGHNESS

THE PRINCE OF WALES.

SIR,

IF gratitude for kindneſs uniformly ſhown me, did not point out Your ROYAL HIGHNESS, as the Perſon to whom I ought to inſcribe any little effort of my induſtry; the anxious zeal, which conſtantly animates Your ROYAL HIGHNESS's breaſt, for the welfare of a People amongſt whom, fortunately for the Britiſh Empire,

You

You hold a ſtation ſo illuſtrious and pre-eminent, would naturally ſuggeſt Your ROYAL HIGHNESS, as the Perſon under whoſe protection a Work ought to be placed, the object of which is to elucidate the elementary principles of a ſcience, on which the Happineſs as well as the Wealth of mankind depends.

I am, with the higheſt ſenſe of duty, and moſt profound feeling of reſpect,

SIR,

Your ROYAL HIGHNESS's

Much obliged,

And moſt humble Servant,

LAUDERDALE.

ADVERTISEMENT.

It was the intention of the Author to have printed, along with this, a ſecond volume, on the Legiſlation of Commerce and Finance, and on the Effects of Commercial Treaties. But as his ideas on theſe ſubjects form only inferences from the general principles here ſtated, many of which, he is aware, are not only new, but even repugnant to received opinions, he has thought it more prudent to pauſe, and delay the execution of the remaining part of his plan, till he diſcovers how far the opinions he has advanced in the preſent publication ſhall ſtand the teſt of public criticiſm.

The Author's ſole object is the inveſtigation of truth; and if he indulges himſelf in further ſpeculations on this important ſubject, he will be as ready, on being convinced of his error, to retract any opinions he has delivered, as he will be obſtinate in defending them, if aſſailed by prejudice.

CONTENTS.

INTRODUCTION, - - Page 1

CHAP. I.

Of Value, and the poſſibility of an accurate Meaſure of Value, - - 11

CHAP. II.

Of Public Wealth, of Individual Riches, and the relation they bear to each other, 39

CHAP. III.

Of the Sources of Wealth, - - 111

CHAP. IV.

Of the poſſibility of Increaſing Wealth by any other Means than thoſe by which it is produced, - - - - 207

CHAP. V.

Of the Means of Augmenting Wealth, and the Cauſes that regulate its Increaſe, 273

APPENDIX, - - - 367

INTRODUCTION.

THOUGH language, from which proceeds the power of both recording and communicating our ideas, muſt be deemed the principal ſource of improvement in man; yet it has been ſuggeſted *, that he "who conſiders the errors and obſcurity, the miſtakes and confuſion, that "are ſpread in the world by an ill uſe of "words, will find ſome reaſon to doubt "whether language, as it has been employed, has contributed more to the improvement or hinderance of knowledge:" and in truth, notwithſtanding all the benefits we derive from it, it is certain that the careleſs and improper uſe of language often produces much miſconception, even in the ordinary occurrences of life.

* Locke on the Human Underſtanding, B. III. Ch. xi. § 4.

In all diſcuſſions, therefore, where accuracy is required, we cannot be too cautious in adopting terms of art, or technical terms of expreſſion, without inquiring into the juſtneſs of that mode of reaſoning from which they have derived their origin.

Words have been repreſented, and indeed are uſually conſidered, as the tranſcript of thoſe ideas which are in the minds of men.

Thus, when we find a phraſe in general uſe, we are apt to regard it as conveying the common teſtimony of mankind in favour of that ſpecies of reaſoning which at firſt ſight appears to have ſuggeſted it; and adopt, from a ſuppoſed idea of authority, opinions, which a little examination would make us reject. By ſuch careleſſneſs, men often become habituated to the common uſe of phraſes and expreſſions, without having even called in queſtion their propriety; and theſe, forming the baſis of further reaſoning, give birth to ideas founded on a ſeries of miſconceptions,

miſconceptions, and conſequently to new phraſes and turns of expreſſion that tend to perpetuate fallacies. It is by theſe means that language has, in all ſciences, been often found a moſt powerful ſupporter of prejudice, and a moſt active promoter of error.

Speculation in Political Oeconomy unavoidably leads to this train of reflection; for there is no ſcience ſo much expoſed to this ſource of error. The ſubjects of many of the ſciences originating in the conceptions of the learned, are never treated of but by men of ſuperior education and improved minds, whoſe language muſt of courſe partake of the accuracy of their ideas. But Public Oeconomy, which profeſſes to teach the means of increaſing the wealth of a State, and of applying it to the moſt uſeful purpoſes, is of neceſſity, in all ſtages of ſociety, a ſubject of diſcuſſion, even amongſt the moſt vulgar and illiterate, whoſe rude and erroneous conceptions muſt

naturally lead to expreſſions founded on inaccuracy, and pregnant with error.

A ſtrong illuſtration of the effect which language has upon the tenor of œconomical reaſoning, may be derived from conſidering the mercantile ſyſtem of political œconomy, ſo long prevalent, which taught us to eſtimate the progreſs of our wealth by the Balance of our Trade.

If the balance of trade was to have been reſted upon as a means of aſcertaining the increaſe of opulence, one would have naturally thought, that the manner in which the merchant makes up his account of profit and loſs, would have ſuggeſted itſelf as the method of eſtimating the national gain by foreign trade.

Thus, as DAVENANT obſerves, we would have been led to examine how much the returns imported are worth more than the commodities exported; and attributed to the nation

nation ſo much gain as the value of the Imports exceeded that of the Exports.

But Money being, in its capacity of an inſtrument of commerce, the immediate means of procuring all the conveniencies of life; whilſt, as the practical meaſure of value, we are accuſtomed to eſtimate commodities by the quantity of money they will exchange for; *Money* and *Wealth* came to be uſed, not only in common language, as ſynonymous; but, in the ideas of men, *to get money* became expreſſive of the only means of growing rich.

Habituated to this miſapplication of language, and to the ideas they derive from it, the ſupporters of the mercantile ſyſtem, making up the accounts of the public in a manner directly the reverſe of that they would have followed in making up their own, rejoiced at the exceſs of the Exports over the Imports; concluding, that the difference muſt be received in Money, and con-

ceiving that the commodities exported, were merely valuable as inſtruments to procure Money, which they alone regarded as wealth.

Though the prevalence of the mercantile ſyſtem, for above a century, and many conſequent errors in the reaſonings of our œconomical writers, as well as in the ſyſtem of European legiſlation, all ariſing out of the habit of conceiving Wealth and Money to be ſynonymous, form powerful illuſtrations of the effects of language in producing erroneous ideas in œconomical reaſonings; it is perhaps not the moſt fatal error introduced into the ſcience of political œconomy by the ſame means.

The terms we uſe, in talking of the wealth of a nation, or of the riches of individuals, are in all languages exactly the ſame. They denote, that private riches are univerſally conſidered in no other light than as a portion of national wealth. The ſum-

total

total of the riches of thoſe who form the community, is thus regarded as neceſſarily conveying an accurate ſtatement of the wealth of a nation; and this idea has become ſo univerſally prevalent, that, even by philoſophers, exchangeable value has been announced as the baſis of wealth *. An increaſe of the fortune of any member of the ſociety, if not at the expence of any individual belonging to the ſame community, is uniformly deemed an augmentation of national wealth; and a diminution of any man's property, if not producing an increaſe of the riches of ſome of his fellow-ſubjects, has been conſidered as of neceſſity occaſioning a concomitant diminution of national wealth: "For," ſays an eminent philoſopher, "the capital of a "ſociety, which is the ſame thing with that "of all the individuals who compoſe it,

* See PHYSIOCRATIE, *Philoſophie Rurale*, and the works of all the Oeconomiſts.

" can be increaſed only in the ſame man-
" ner *."

That public wealth, however, ought not to be conſidered as merely repreſenting the ſum of individual riches, is undoubted †; and that much of obſcurity, and even of error, has exiſted in œconomical reaſoning from confounding them, will be made apparent.

As

* SMITH's Wealth of Nations, vol. I. p. 410. edit. in 4to.—To the ſame purpoſe ſays HECATO the Rhodian, as repreſented by CICERO: " Sapientis eſſe, nihil contra mores, " leges, inſtituta facientem, habere rationem rei familiaris; " neque enim ſolum nobis divites eſſe volumus, ſed liberis, " propinquis, amicis, maximeque reipublicæ: ſingulorum " enim facultates et copiæ, divitiæ ſunt civitatis." De Off. L. III. c. 15.

† The words *Wealth* and *Riches* are, in common language, uſed as ſynonymous. There is no term by which we can deſign the Wealth of a Nation, which is not equally applicable to the Riches of Individuals. In treating of private fortune, however, the word *riches* will be uniformly uſed; and in expreſſing public opulence, the word *wealth*. To be more diſtinct. Private or Individual will be generally prefixed to Riches, and Public or National to Wealth.

As a clear underſtanding of the relation which Public Wealth and Individual Riches bear to each other, appears of the higheſt importance, in ſecuring accuracy in every ſubject that relates to the ſcience of Political Oeconomy; the firſt and ſecond chapters of this Inquiry, are therefore devoted to the conſideration of the nature of *Value*, the poſſeſſion of which alone qualifies any thing to form a portion of individual riches;—to an explanation of what Public Wealth is, and of what conſtitutes Individual Riches;—and to an examination of the relation in which they ſtand to each other.

The meaning annexed in this work to the phraſe Public Wealth being thus explained, the third chapter contains an inveſtigation of the Sources of Wealth, in which Land, Labour and Capital, are ſeparately treated of as the ſources of wealth;—an opinion which, though it has been announced by ſome,

ſome, and hinted at by others, does not ſeem to have made on any author ſo ſtrong an impreſſion as to be uniformly adhered to in the courſe of his reaſonings.

An idea which has generally prevailed, (though it ſeems in itſelf a paradox), that wealth may be increaſed by means by which it is not produced, in particular by parſimony, or deprivation of expenditure, has made it neceſſary to inveſtigate this ſubject in the fourth chapter, as a preliminary to an Inquiry into the Means and Cauſes of the Increaſe of Wealth; which is the object of the fifth chapter.

CHAP.

CHAP. I.

OF VALUE,

AND THE POSSIBILITY OF AN ACCURATE MEASURE OF VALUE.

BEFORE proceeding to conſider what conſtitutes public wealth and private riches, or to inveſtigate the circumſtances which lead to the increaſe of either, it is neceſſary to underſtand diſtinctly the nature of Value; and, by that means, to poſſeſs a clear idea of what it is which alone can give to any commodity the character it muſt acquire, in order to form a part of individual riches.

The

The term *Value*, whatever might have been its original ſenſe, as it is uſed in common language, does not expreſs a quality inherent in any commodity. There is nothing which poſſeſſes a real, intrinſic, or invariable value. The poſſeſſion of no quality, however important to the welfare of man, can confer value; for water, the moſt neceſſary of all things, ſeldom poſſeſſes it.

Experience ſhews us, that every thing is uniformly conſidered as valuable, which, to the poſſeſſion of qualities, that make it the object of the deſire of man, adds the circumſtance of exiſting in ſcarcity. To confer value, therefore, two things appear requiſite: 1. That the commodity, as being uſeful or delightful to man, ſhould be an object of his deſire: 2. That it ſhould exiſt in a degree of ſcarcity.

With reſpect to the variations in value, of which every thing valuable is ſuſceptible,

tible, if we could for a moment ſuppoſe that any ſubſtance poſſeſſed intrinſic and fixed value, ſo as to render an aſſumed quantity of it conſtantly, under all circumſtances, of equal value; then the degree of value of all things, aſcertained by ſuch a fixed ſtandard, would vary according to the proportion betwixt the quantity of them and the demand for them, and every commodity would of courſe be ſubject to a variation in its value from four different circumſtances.

(1) It would be ſubject to an increaſe of its value, from a diminution of its quantity.

(2) To a diminution of its value, from an augmentation of its quantity.

(3) It might ſuffer an augmentation in its value, from the circumſtance of an increaſed demand.

4. Its

4. Its value might be diminiſhed, by a failure of demand.

As it will, however, clearly appear, that no commodity can poſſeſs fixed and intrinſic value, ſo as to qualify it for a meaſure of the value of other commodities, mankind are reduced to ſelect, as a practical meaſure of value, that which appears the leaſt liable to any of theſe four ſources of variation, which are the ſole cauſes of alteration of value.

When in common language, therefore, we expreſs the *value* of any commodity, it may vary at one period from what it is at another, in conſequence of eight different contingencies:

1. From the four circumſtances above ſtated, in relation to the commodity of which we mean to expreſs the value. And,

2. From

2. From the ſame four circumſtances, in relation to the commodity we have adopted as a meaſure of value.

As the value, therefore, of all commodities depends upon the poſſeſſion of a quality that makes them the object of man's deſire, and the circumſtance of their exiſting in a certain degree of ſcarcity; it follows that the variation of all value muſt depend upon the alteration of the proportion betwixt the demand for, and the quantity of, the commodity, occaſioned by the occurrence of one of the four circumſtances above ſtated; and that a variation in the expreſſion of value, may be occaſioned by the occurrence of any of the eight circumſtances we have alluded to. The truth of theſe propoſitions may be variouſly illuſtrated.

Water, it has been obſerved, is one of the things moſt uſeful to man, yet it ſeldom poſſeſſes any value; and the reaſon of this

this is evident: it rarely occurs, that to its quality of utility, is added the circumſtance of exiſting in ſcarcity: but if, in the courſe of a ſiege, or a ſea-voyage, it becomes ſcarce, it inſtantly acquires value; and its value is ſubject to the ſame rule of variation as that of other commodities.

Gold is no where to be found in abundance; but ſcarcity alone cannot give it value, any more than utility alone can confer value on water. We are accordingly told, that the poor inhabitants of Cuba and St Domingo, when firſt diſcovered by the Spaniards, not knowing the uſe of gold, conſidered it as little bits of pebble, juſt worth the picking up, but not worth the refuſing to any body that aſked it; and that they, in reality gave it to their new gueſts at the firſt requeſt *. But the knowledge of its utility by the Spaniards, and its poſſeſſing therefore qualities, that to them made it an object

* Wealth of Nations, vol. I. p. 219. 4to edit.

ject of deſire, added to the circumſtance of its ſcarcity, ſoon gave it value; and the degree of its value came ſpeedily to be fixed even in the minds of the natives, on the ſame principle as that of food, and of all other commodities.

Though the ſcarcity of gold and ſilver, and the demand for them, have made them what is called *moſt precious*, that is, under the general circumſtances of mankind, commodities of the greateſt value; yet particular circumſtances may occaſion ſuch a ſcarcity of, and demand for, things of a very ordinary nature, as to make them, for a time, of a value ſuperior even to thoſe metals. Thus, as Mr LOCKE well obſerves, in a man of war, ſilver may not be of equal value to gunpowder, and a famine may certainly occaſion gold's not being worth its weight in bran.

The value of every thing is ſo completely dependent upon the proportion betwixt

the demand for it and the quantity of it, that the poſſeſſion of no quality, whatever excellence it might add to a commodity, could produce any material alteration in its value, if it did not affect either the demand for it, or the quantity of it. Suppoſing there could be conferred on Corn the important attribute, that one grain, when given to an infant on the day of its birth, ſhould ſecure a century of robuſt health; (though it is certain there could not be added to it a qualification more to the general taſte of mankind), yet, as this would produce no alteration in the quantity of grain, and, from the ſmall quantity that would be thus conſumed, hardly any perceptible increaſe in the demand for it, we ſhould not be able to diſcern any variation in its value.

So little has the quality of things to do with their value, that it very often happens, when a commodity poſſeſſes, in the higheſt degree of perfection, all the qualities which make it deſirable, its value is

the

the loweſt; and when, on the contrary, it poſſeſſes them in a very inferior degree, its value is the higheſt. This is almoſt conſtantly the caſe with Grain. In a fine ſeaſon it is always of a ſuperior, in a bad ſeaſon of an inferior quality; yet, as the fine ſeaſon generally produces an increaſed, and a bad ſeaſon a diminiſhed quantity; with a thorough contempt of the quality, the value of the corn is always regulated on the principle here ſtated; and the greatneſs of the quantity, though of ſuperior quality, reduces its value; whilſt the diminution of its quantity, though of very inferior quality, increaſes the value in the market.

The value of Cattle, though the recommendations with regard to breed, fatneſs, and every other quality that renders them deſirable, and even the number of them ſhould remain unaltered, is always found to vary in proportion to the ſcarcity or abundance of the food on which they are nouriſhed. The value of certain inferior ſpecies

of grain is alſo often increaſed, without any alteration either of the quantity or quality of it, but merely in conſequence of an augmentation of demand, ariſing from a ſcarcity of the better ſorts of grain, which uſually form the bread of the community.

We have often occaſion to obſerve that, whilſt a web of cloth or a piece of ſilk have ſold at very conſiderable prices, if there remains a ſmall quantity of them, this Remnant, as it is called, brings a very inferior price to what was given for the greater part of the ſame cloth, and of the ſame piece of ſilk. On the other hand, a ſmall quantity of ſtock, in the 3 or 4 *per cents*, is uniformly ſold in the Alley above the market-price of the commodity; and yet the ſmall pieces of ſilk and cloth are of the ſame quality with the whole of the reſpective webs, and the ſtock is exactly productive of the ſame advantages with any other portion of ſtock; the variations depending, in theſe caſes, totally upon alterations in the degree of demand; there

there being few people who wiſh for ſo ſmall a piece of cloth, and many who, in conſequence of wills and truſts, are obliged to purchaſe ſmaller portions of ſtock for accumulation than are uſually expoſed in the market.

Thus we may perceive, that the exiſtence of value is perfectly independent of any inherent characteriſtic in the commodity itſelf; that there is no ſuch thing as intrinſic value; and that alterations in the degrees of value are not dependent upon any change of quality, but always on ſome change of proportion betwixt the quantity and the demand for a commodity;—a ſure proof of which is, that we cannot expreſs value, or a variation of value, without a compariſon of two commodities; and every variation in the expreſſion of value, muſt depend upon ſome alteration in the proportion betwixt the quantity of, and demand for, one or other of the commodities compared.

For example, if the price of grain is to be expreſſed in ſilver, it might vary, in conſequence of the circumſtance of the alteration of the proportion betwixt the quantity of the grain and the demand for it; it might alſo alter, in conſequence of the variation betwixt the proportion of ſilver and the demand for it. It may happen, too, that alterations might take place in both thoſe proportions; which muſt likewiſe generally produce a variation in the expreſſion of value. For, though it is poſſible that there ſhould exiſt alterations in both, and that the relative proportion betwixt the quantity and demand for each ſhould ſtill be preſerved, yet it is highly improbable, that, under ſuch circumſtances, this equilibrium ſhould be maintained.

The opinions, that are here ſtated, concerning the nature and the cauſes of the variation of value, are nowiſe new. They have been hinted at by many; and by ſome they have been long ago explained with tolerable accuracy.

accuracy *. They do not, however, appear to have been ſo clearly underſtood as to deſtroy the idea of any thing poſſeſſing a real and fixed value, ſo as to qualify it to form a meaſure of value. After this philoſopher's ſtone many have been in ſearch; and not a few, diſtinguiſhed for their knowledge and their talents, have imagined that in *Labour* they had diſcovered what conſtituted a real meaſure of value. Of this fancy Sir WILLIAM PETTY's mind ſeems to have been fully poſſeſſed, when he compoſed the

* The following extract, from Mr LAW's Treatiſe on Money, publiſhed in Scotland in 1705, ſeems to convey an accurate idea of the nature of value. "Mr LOCKE ſays, "the value of goods is according to their quantity, in pro- "portion to their vent. The vent of goods cannot be "greater than the quantity, but the demand may be "greater. If the quantity of wine brought from France "be 100 ton, and the demand be for 500 ton, the de- "mand is greater than the vent, and the 100 ton will ſell "at a higher price than if the demand were only equal to "the vent; ſo the prices of goods are not according to "the quantity in proportion to the vent, but in proportion "to the demand."

following paſſage *: "Suppoſe a man could, "with his own hands, plant a certain ſcope "of land with corn; that is, could dig or "plough, harrow, reap, carry home, threſh, "and winnow, ſo much as the huſbandry of "this land requires, and had withal ſeed "wherewith to ſow the ſame. I ſay, that "when this man hath ſubducted his ſeed "out of the proceed of his harveſt, and al- "ſo what himſelf hath both eaten and gi- "ven to others in exchange for clothes, and "other natural neceſſaries, that the re- "mainder of corn is the natural and true "rent of the land for that year; and the "medium of ſeven years, or rather of ſo "many years as make up the cycle, with- "in which dearths and plenties make their "revolution, doth give the ordinary rent of "the land in corn.

"But a further, though collateral que- "ſtion may be, How much Engliſh money "this

* Treatiſe of Taxes and Conſtitutions, p. 23. 4to edit. 1667.

" this corn or rent is worth? I anſwer, ſo
" much as the money which another ſingle
" man can ſave within the ſame time, over
" and above his expence, if he employed
" himſelf wholly to produce and make it;
" viz. Let another man go travel into a coun-
" try where is ſilver, there dig it, refine it,
" bring it to the ſame place where the
" other man planted his corn, coin it, &c.;
" the ſame perſon, all the while of his
" working for ſilver, gathering alſo food
" for his neceſſary livelihood, and procu-
" ring himſelf covering, &c. I ſay the ſil-
" ver of the one muſt be eſteemed of equal
" value with the corn of the other."

The ſame idea is ſtated by Mr HARRIS, in his ingenious Eſſay on Money and Coins: " The values of land and labour do, as it " were of themſelves, mutually ſettle or ad- " juſt one another; and as all things or " commodities are the products of thoſe " two, ſo their ſeveral values are naturally " adjuſted by them. But, as in moſt pro-

" ductions,

" ductions, *labour* hath the greateſt ſhare,
" the value of labour is to be reckoned the
" chief ſtandard that regulates the value of
" all commodities; and more eſpecially, as
" the value of land is, as it were, already
" allowed for in the value of labour itſelf."

The Author of the Inquiry into the Wealth of Nations, is, however, the perſon who has ſtruggled moſt to eſtabliſh the opinion, that labour may be conſidered as an accurate meaſure of value; and Baron HERTZBERG, who, in his Diſcourſe on the Wealth of Nations, has declared that it is admirably proved in the profound and claſſical work of Dr SMITH, that labour is the true, univerſal and exact meaſure of the value of all goods and merchandiſe, is not the only diſtinguiſhed diſciple who has maintained this doctrine.

After all, it is the effect that this opinion has, in deſtroying all juſt idea of the nature of value, and the authority of thoſe who

who have held it, rather than the ingenuity or even plauſibility of the manner in which it is ſupported, that makes it worthy of conſideration.

To thoſe who underſtand any thing of the nature of value, or on what its variations depend, the exiſtence of a perfect meaſure of value muſt at once appear impoſſible: for as nothing can be a real meaſure of length and quantity, which is ſubject to variations in its own dimenſions, ſo nothing can be a real meaſure of the value of other commodities, which is conſtantly varying in its own value. But as there is nothing which is not ſubject to variations, both in its quantity and in the demand for it, there can be nothing which is not ſubject to alteration in value.

In the learned work, however, alluded to, the author, without deſcending to any reaſoning, qualifies labour for ſuſtaining the character of a meaſure of value, by declaring,

ring, that "labour alone never varies in its "own value *." And this appears more extraordinary, becauſe labour is the thing moſt ſubject to variation in its value, and is of courſe, of all others that could have been ſelected, the worſt calculated to perform that duty.

As, however, nothing elſe has ever been held out as conſtituting an accurate meaſure of value; and as the opinion ſtill has its advocates, that labour is ſuch, though completely deſtructive of every correct view of the nature of value, it is perhaps worth while, in order to extinguiſh the idea of the poſſibility of its forming an accurate meaſure of value, ſhortly to prove that, of all things, it is the leaſt qualified for this taſk, by references to what ſeems the leaſt ſuſpicious authority,—opinions delivered in that very work, which declares labour to poſſeſs fixed and invariable value; and which has been affirmed to contain ſubſtantial

* Wealth of Nations, vol. 1. p. 38. 4to edit.

ſtantial proof that labour is a real meaſure of value.

Things may alter in their value:

(1) At periods not remote; as for example, of the ſame year.

(2) At remote periods of time.

(3) In different countries.

(4) In different parts of the ſame country.

Theſe may be generally conſidered as the four caſes which give riſe to alterations in the value of all commodities; for, generally ſpeaking, there is nothing ſubject to variation of value at the ſame time, and in the ſame place. Labour, however, it will appear, in the opinion of the learned author, who ſtyles it the ſole thing invariable in its value, is ſubject not only to all the uſual ſources of variation, but poſſeſſes excluſively the characteriſtic of varying at the ſame time and place.

1. That

1. That labour varies in its value at different periods of the ſame year, every perſon muſt know, who has obſerved, that "the demand for country labour is greater "at hay-time and harveſt, than during the "greater part of the year; and *wages riſe* "*with the demand*. In time of war, when "forty or fifty thouſand ſailors are forced "from the merchant ſervice into that of "King, the demand for ſailors to mer-"chant ſhips neceſſarily riſes *with their* "*ſcarcity*, and their wages, upon ſuch oc-"caſions, commonly riſe from a guinea and "ſeven and twenty ſhillings, to forty ſhil-"lings and three pounds a month *."

2. That labour varies in its value at diſtant and remote periods of time, ſeems eſtabliſhed by the following facts: "The "*real* recompence of labour, *the real* quan-"tity of the neceſſaries and conveniencies "of life which it can procure to the la-"bourer,

* Wealth of Nations, vol. 1. p. 142. 4to edit.

" bourer, has, during the courſe of the " preſent century, increaſed perhaps in a " ſtill greater proportion than its *money-* " *price* *."

And, again, " The *money-price* of labour in " Great Britain has indeed riſen during the " courſe of the preſent century. This, how- " ever, ſeems to be the effect, not ſo much " of any diminution in the value of ſilver " in the European market, as of *an in-* " *creaſe of the demand* for labour in Great " Britain, ariſing from the great, and al- " moſt univerſal, proſperity of the coun- " try †."

(3.) The compariſon made betwixt England and America, ſhews clearly the difference that takes place in the value of labour in diſtant and remote countries: " England

* Wealth of Nations, vol. 1. p. 95. 4to edit.

† Ibid. vol. 1. p. 251. 4to edit.

"England is certainly, in the preſent "times, a much richer country than any "part of North America. The wages of "labour, however, are much higher in "North America than in any part of Eng- "land. In the province of New York, "common labourers earn three ſhillings "and ſixpence currency, equal to two ſhil- "lings Sterling a-day; ſhip-carpenters ten "ſhillings and ſixpence currency, with a "pint of rum, worth ſixpence Sterling, "equal in all to ſix ſhillings and ſixpence "Sterling; houſe-carpenters and brick- "layers eight ſhillings currency, equal to "four ſhillings and ſixpence Sterling; jour- "neymen tailors five ſhillings currency, "equal to about two ſhillings and tenpence "Sterling. Theſe prices are all above the "London price; and wages are ſaid to be "as high in the other colonies as in New "York. The price of proviſions is every "where in North America much lower "than in England. A dearth has never "been known there. In the worſt ſeaſons

"they

" they have always had a ſufficiency for
" themſelves, though leſs for exportation.
" If the *money-price* of labour, therefore,
" be higher than it is any where in the
" mother country, its *real price*, the real
" command of the neceſſaries and con-
" veniencies of life which it conveys
" to the labourer, muſt be higher in a
" ſtill greater proportion *." Further,
" Labour in America is ſo well rewarded,
" that a numerous family of children, in-
" ſtead of being a burden, is a ſource of
" opulence and proſperity to the parents.
" The labour of each child, before it can
" leave their houſe, is computed to be
" worth L. 100 clear gain to them. A
" young widow, with four or five young
" children, who, among the middling or
" inferior ranks of people in Europe, would
" have ſo little chance for a ſecond huſ-

 " band,

* Wealth of Nations, vol. I. p. 85. 4to edit.

" band, is there frequently courted as a " ſort of fortune *."

4. The following facts not only ſhew the extraordinary variations in the value of labour, that take place in different parts of the ſame country; but the ingenious reaſoning, which accompanies it, points out why theſe variations on the value of labour muſt be more permanent than in any other commodity. " Eighteen pence a day may " be reckoned the common price of labour " in London and its neighbourhood. At a " few miles diſtance it falls to fourteen and " fifteen pence. Ten pence may be rec- " koned its price in Edinburgh and its " neighbourhood. At a few miles diſtance " it falls to eight pence, the uſual price of " common labour through the greater part " of the low country of Scotland, where it " varies a good deal leſs than in England. " Such a difference of prices, which it " ſeems

* Wealth of Nations, vol. I. p. 65. 4to edit.

" ſeems is not always ſufficient to tranſ-
" port a man from one pariſh to another,
" would neceſſarily occaſion ſo great a
" tranſportation of the moſt bulky commo-
" dities, not only from one pariſh to ano-
" ther, but from one end of the kingdom,
" almoſt from one end of the world to the
" other, as would ſoon reduce them more
" nearly to a level. After all that has been
" ſaid of the levity and inconſtancy of hu-
" man nature, it appears evidently from
" experience that a man is of all ſorts of
" luggage the moſt difficult to be tranſport-
" ed *."

Thus labour ſeems to partake of thoſe four ſources of variation, which are the general reaſons of alteration in the value of all commodities. But this is not all: for this pretended accurate meaſure of value is not capable even, like other commodities, of forming a true meaſure of value at the

 ſame

* Wealth of Nations, vol. I. p. 91. 4to edit.

ſame time and place; which is evident, when we recollect, that, "at the ſame time "and place, the real and the nominal price "of all commodities are exactly in propor- "tion to one another. The more or leſs "*money* you get for any commodity, in "the London market, for example, the "more or leſs labour it will at that time "or place enable you to purchaſe or com- "mand. At the ſame time and place, "therefore, *money* is the exact meaſure of "the real exchangeable value of all com- "modities *." Whereas, on the other hand, it muſt be obſerved, that the value of labour "cannot be aſcertained very ac- "curately any where, different prices be- "ing often paid at the ſame place, and for "the ſame ſort of labour, not only accord- "ing to the different abilities of the work- "men, but according to the eaſineſs or "hardneſs of the maſters †."

Now,

* Wealth of Nations, vol. I. p. 44. 4to edit.

† Ibid. vol. I. p. 94.

Now, the variation here pointed out muſt be in the real value of labour, and not in that of the money by which we expreſs its value; becauſe money, at the ſame time and place, forming an exact meaſure of the exchangeable value of all commodities, cannot, under ſuch circumſtances, vary in its own value.

Indeed, it appears moſt extraordinary, that the Author of the Wealth of Nations ſhould ever have conſidered labour as an accurate meaſure of value; for in Book II. Chap. III. of his work, he treats of *productive* and *unproductive* Labour, and therein announces an opinion, which forms one of the moſt ſtriking features of his theory, that a great portion or deſcription of labour is totally unproductive: and it muſt be obſerved, that a propoſition holding forth a mathematical point as a meaſure of dimenſion, would not be more abſurd than propoſing any thing unproductive as a meaſure of value.

Great, therefore, as the authorities are who have regarded labour as a meaſure of value, and who by ſo doing have contradicted that view of the nature of value which has been given, it does not appear that labour forms any exception to the general rule, that nothing poſſeſſes real, fixed or intrinſic value; or that there is any ſolid reaſon for doubting the two general principles we have endeavoured to eſtabliſh:—

(1.) That things are alone valuable in conſequence of their uniting qualities, which make them the objects of man's deſire, with the circumſtance of exiſting in a certain degree of ſcarcity.

(2.) That the degree of value which every commodity poſſeſſes, depends upon the proportion betwixt the quantity of it and the demand for it.

CHAP.

CHAP. II.

OF PUBLIC WEALTH, OF INDIVIDUAL RICHES, AND OF THE RELATION THEY BEAR TO EACH OTHER.

THOUGH the advantages which all reaſonings on Political Oeconomy muſt have derived from a clear explanation of what conſtitutes national or public wealth are apparent; and though a preciſe underſtanding of what wealth is, ſeems a neceſſary preliminary to the diſcuſſing, with any degree of accuracy, the means of increaſing it; we muſt regret, that a definition of

Public Wealth is no where to be found. This deficiency, however, does not appear to have proceeded ſo much from any ſenſe of difficulty in defining national wealth, or in deſcribing wherein it is conceived to conſiſt, as from a general feeling of its being needleſs to expreſs that about which all men are agreed. For the theories and opinions of all ſpeculative writers ſufficiently ſhew, that they have entertained, on this ſubject, the ſame ideas with thoſe who, in the exerciſe of the practice of taxation, have been obliged to expreſs their opinions more diſtinctly.

National wealth has by all been conſidered merely as made up of the riches of individuals belonging to the community; the capital of a ſociety has been regarded, in every reſpect, as the ſame with that of all the individuals who compoſe it *; and the ſum-total of the fortunes of individuals, has been conceived to convey

* Wealth of Nations, vol. I. p. 409. 4to edit.

vey an accurate deſcription of the maſs of national wealth. Parſimony, which experience teaches us, is the moſt uſual means of increaſing private fortune, is univerſally repreſented as the parent of public wealth. Frugality is ſaid to increaſe, Prodigality to diminiſh, the public capital *. Every prodigal is repreſented as a public enemy, and every frugal man as a public benefactor †. So much, indeed, is public wealth univerſally deemed the ſame thing with the maſs of private riches, that there appears no means of increaſing the fortune of an individual, when it is not done directly at the expence of another, that is not regarded as productive of national opulence.

On this principle have proceeded the various ſtatements of national wealth, which have at different times been ſubmitted to the public. Thus, by Sir WILLIAM PETTY'S

* Wealth of Nations, vol. I. p. 421. 4to edit.

† Ibid. vol. I. p. 414.

TY's computation, in the year 1664, the total wealth of the nation, conſiſting of lands, houſes, ſhipping, gold and ſilver coin, wares, merchandiſe, plate, furniture, &c. amounted to two hundred and fifty millions. In the beginning of the eighteenth century, GREGORY KING computed the landed and perſonal property at ſix hundred and fifteen millions. Mr HOOKE computed the whole value of real and perſonal property, about fifty years ago, at two thouſand one hundred millions Sterling. Sir WILLIAM PULTENEY, about thirty years after, valued the landed and perſonal property at two thouſand millions. The total amount of the wealth of Great Britain, conſiſting of the value of articles above enumerated, has alſo been computed by Dr BEEKE, to be nearly two thouſand five hundred millions Sterling, excluſive of one hundred millions Sterling, the value of foreign poſſeſſions belonging to the ſubjects of Great Britain*.

It

* Theſe ſtatements are taken from Mr ARTHUR's Financial and Political Facts; in moſt inſtances, however, they have been compared with the originals.

It is, however, impoſſible to ſubſcribe to the idea, that the ſum-total of individual riches forms an accurate ſtatement of public wealth. Though the opinion has been univerſally prevalent, it muſt be deemed falſe and unfounded by every man who conſiders the ſubject, after having formed, and familiarized himſelf to, an accurate and diſtinct opinion of the nature of value.

It muſt, then, appear, that a commodity being uſeful or delightful to man, cannot alone give it value; that to obtain value, or to be qualified to conſtitute a portion of private riches, it muſt combine with that quality, the circumſtance of exiſting in a certain degree of ſcarcity. Yet the common ſenſe of mankind would revolt at a propoſal for augmenting the wealth of a nation, by creating a ſcarcity of any commodity generally uſeful and neceſſary to man. For example, let us ſuppoſe a country poſſeſſing abundance of the neceſſaries and

and conveniencies of life, and univerſally accommodated with the pureſt ſtreams of water:—what opinion would be entertained of the underſtanding of a man, who, as the means of increaſing the wealth of ſuch a country, ſhould propoſe to create a ſcarcity of water, the abundance of which was deſervedly conſidered as one of the greateſt bleſſings incident to the community? It is certain, however, that ſuch a projector would, by this means, ſucceed in increaſing the maſs of individual riches; for to the water, which would ſtill retain the quality of being uſeful and deſirable, he would add the circumſtance of exiſting in ſcarcity, which of courſe muſt confer upon it value; and, when it once obtained value, the ſame circumſtances that fix the value of its produce for a certain number of years, as the price of the poſſeſſion of land which produces food, would equally fix the value of the produce of ſprings for a certain number of years, as the price of the poſſeſſion of that which produced drink; and thus

the

the individual riches of the country would be increaſed, in a ſum equal to the value of the fee-ſimple of all the wells.

But further to illuſtrate this propoſition, that the wealth of the nation, and the maſs of individual riches, cannot be regarded as in every reſpect the ſame, let us for a moment ſuppoſe it poſſible to create as great an abundance of any ſpecies of food as there exiſts of water: what would be thought of the advice of a man, who ſhould cautiouſly recommend, even at the moment of the preſſure of ſcarcity, to beware of creating this boaſted abundance? for, however flattering it might appear as a remedy for the immediate evil, it would inevitably diminiſh the wealth of the nation. Yet ridiculous as this opinion might appear, as every thing, which partakes of the abundance of water or air, muſt at once ceaſe to poſſeſs value; it follows that, by occaſioning ſuch an abundance, the ſum-

total

total of individual riches would moſt certainly be diminiſhed, to an extent equal to the total value of that ſpecies of food, whoſe value would by this means be deſtroyed.

When we reflect on the ſituation of this country, it appears, indeed, almoſt ſelf-evident, that the ſum-total of individual riches cannot be conſidered as affording an accurate ſtatement of public wealth.

At preſent, the capital of the national debt amounts nearly to five hundred millions. We have ſeen, and know, that war, even in the courſe of the firſt year, may ſink the value of this capital twenty *per cent.*; that is, that it may diminiſh the maſs of individual fortunes one hundred millions; and thus impoſe upon any man, who made up the account of public wealth on the principle, that an accurate ſtatement of it was to be derived from adding together the fortunes of individuals, the neceſſity of ſaying,

ſaying, that one hundred millions of our wealth had vaniſhed.

But this is not all. The value of many things ſinks at the ſame time. In the value of land, in particular, we have ſeen a conſiderable diminution, which would create the neceſſity of a further reduction in this ſtatement of public wealth. Yet the ſurface of the national territory remains unaltered; the landlord receives the ſame rent; the ſtockholder is paid the ſame intereſt; and there is no one thing, on which a man can lay his hand as an article of national wealth, which does not appear, to retain the ſame qualities that rendered it either uſeful or deſirable, and to be in every reſpect unaltered.

It ſeems, therefore, apparent, that an increaſe in the maſs of individual riches does not neceſſarily increaſe the national wealth: that it is poſſible to imagine a very important increaſe of national wealth, which muſt diminiſh the maſs of individual riches; and

Important as this diſtinction, which we have endeavoured to eſtabliſh, between the wealth of a nation, and the ſum-total of the riches of individuals, will afterwards appear to be, in regulating our opinions on every queſtion relating to the ſcience of Political Oeconomy; it is perhaps ſtill more important to obſerve, that in proportion as the riches of individuals are increaſed by an augmentation of the value of any commodity, the wealth of the nation is generally diminiſhed; and in proportion as the maſs of individual riches is diminiſhed, by the diminution of the value of any commodity, the national opulence is generally increaſed.

No

and riches had occurred to them; for example: "It is ne-
"ceſſary to diſtinguiſh wealth from riches. The former
"poſſeſſes value in uſe, but no value in exchange. The
"latter poſſeſſes a value both in uſe and in exchange. It
"is not ſufficient for a nation to poſſeſs wealth; it is ne-
"ceſſary it ſhould endeavour to procure great riches, in or-
"der to adminiſter, by means of commerce, to the deſires
"of all the members of which it is compoſed." *Phyſiocra-tie*, p. cxviij. (For the original, ſee APPENDIX, No. I.).

No man can doubt that an abundance of grain is a moſt important article of national wealth. As little can it be doubted, that a ſcarcity of grain is a moſt ſerious ſymptom of national poverty; yet we are told, by great authority *, that a defect in the harveſt will raiſe the price of corn in the following proportions:

Defect.	Raiſes the price	Above the common rate
1. Tenth,		3. Tenths.
2. Tenths,		8. Tenths.
3. Tenths,		1.6 Tenths.
4. Tenths,		2.8 Tenths.
5. Tenths,		4.5 Tenths.

According to this opinion, therefore, a deficiency of three-tenths of the common produce of the country in grain, would increaſe the value of the grain that remained

* GREGORY KING'S Calculation, publiſhed by DAVENANT, vol. II. p. 224.

160 *per cent.*; that is, ſuppoſe the uſual produce of any country to be 300 quarters of grain, and the total value of that grain to be L. 300; if the grain was reduced three-tenths in quantity, viz. to 210 quarters, then the value of theſe 210 quarters would be L. 546. Thus the wealth of the nation being diminiſhed by the loſs of three-tenths of the whole of its produce of grain, the value of its grain would thereby be increaſed from L. 300 to L. 546; and there would, by that means, be added to the maſs of individual riches, a ſum nearly equal to the value which the whole grain of the country bore when no ſuch ſcarcity exiſted.

On the other hand, it is conjectured by authority equally reſpectable *, that the production of one-tenth part more grain than is uſually conſumed, would diminiſh the value of the grain one-half; that is, that

* See Spectator, No. 200.

that if the produce of a country was 300 quarters, and its general value L. 300, if the wealth of the nation ſhould be increaſed by the production of 30 more quarters of grain, then the maſs of individual riches would be diminiſhed L. 135, as the value of the 330 quarters, at 10 s. a quarter, would only amount to L. 165; whereas the value of the 300 quarters, before the produce was increaſed, at 20 s. a quarter, amounted to L. 300 *.

* That the diminution of the quantity has the effect of raiſing the value for which the total of any commodity ſells at the market; and the increaſe, the effect of diminiſhing it; is an obſervation made by many writers, though they diſagree about the ratio in which it is increaſed and diminiſhed. Thus, "Merchants obſerve, that if the commodity in market is diminiſhed one-third beneath its mean quantity, it will be nearly doubled in value; and that if it is augmented one-third above its mean quantity, it will ſink near one-half in its value; and that by further diminiſhing or augmenting the quantity, theſe diſproportions between the quantity and prices vaſtly increaſe." Conſiderations on the Policy of Entails, by Sir JOHN DALRYMPLE, p. 14.

So truly is this principle underſtood by thoſe whoſe intereſt leads them to take advantage of it, that nothing but the impoſſibility of general combination protects the public wealth againſt the rapacity of private avarice; for wherever combination has been poſſible, mankind have found, in the diminution of their wealth, the fatal effects of this diſpoſition. It is on this principle that the Dutch were ſaid to burn a conſiderable quantity of ſpiceries, whenever mankind was favoured with a fertile ſeaſon; and that they gave to the natives of the ſeveral iſlands premiums for collecting the young bloſſoms and green leaves of the nutmeg trees, by which means they deſtroyed them. It was a ſimilar motive that, in the year 1731, induced the proprietors of the old vineyards in France, to ſolicit an order in Council, which they obtained, prohibiting both the planting of new vineyards, and the renewal of thoſe old ones, of which the cultivation had been interrupted for two years, without a particular

cular permiſſion from the King, to be granted only in conſequence of information from the *Intendant* of the province, certifying that he had examined the land, and that it was incapable of any other culture. The ſame idea led the tobacco-planters in Virginia to paſs an act of Aſſembly, by which they reſtrained the cultivation of tobacco to 6000 plants for every negro kept; and afterwards induced them to agree, in plentiful years, to burn a certain proportion of tobacco for every negro.

From theſe conſiderations, it ſeems evident, not only that the ſum-total of individual riches cannot be conſidered as an accurate deſcription or definition of the wealth of a nation; but that, on the contrary, it may be generally affirmed, that an increaſe of riches, when ariſing from alterations in the quantity of commodities, is always a proof of an immediate diminution of wealth; and a diminution of riches,

is evidence of an immediate increaſe of wealth: and this propoſition will be found invariably true, with the exception of a ſingle caſe, which will be afterwards explained. Thus, it becomes neceſſary to adopt a definition of Public Wealth, which conveys a different idea of it from that which has been generally received; and it is therefore ſubmitted, that Wealth may be accurately defined,—*to conſiſt of all that man deſires, as uſeful or delightful to him* *.

But if National Wealth is truly and rightly defined, to conſiſt of all that man deſires as uſeful and delightful to him; as, (from the explanation that has been already

* In the *Projet d'une dixme Royale*, publiſhed in the name of the Marechal De VAUBAN, and generally conceived to be his work, (though VOLTAIRE, in his *Doutes ſur le teſtament du Cardinal de RICHELIEU*, ſays it was written by M. DE BOIS GUILBERT), Wealth is nearly accurately defined in the following terms: "*La vrai richeſſe d'un Royaume conſiſte dans* "*l'abondance des denrées.*" "The true wealth of a nation "conſiſts in the abundance of its commodities."

dy given of the nature of value, or of the circumſtances that entitle any thing to the character which qualifies it for forming a portion of individual riches), we know, that by adding the circumſtance of ſcarcity to the qualities which make any commodity a component part of public wealth, we ſhould give it value, and thus qualify it to form a portion of individual riches, it follows, that individual riches may be defined, *—to conſiſt of all that man deſires as uſeful or delightful to him; which exiſts in a degree of ſcarcity.*

With regard to the degree in which any commodity is to be claſſed as forming a portion of individual riches, it has already been explained and made evident, that the value of every thing depends upon the proportion betwixt the demand for it, and the quantity of it. But to underſtand thoroughly the nature of individual riches, and the changes and variations of which they are ſuſceptible, it will be neceſſary to examine

examine into the alterations of value which the variation of that proportion, in any one commodity, may create in the general maſs of individual riches.

The value of every commodity, it has been obſerved, may be altered:

1. By a diminution in its quantity;

2. By an increaſe in its quantity;

3. By an increaſe of demand;

4. By a diminution of demand.

And, to explain this ſubject thoroughly, each of theſe caſes muſt be conſidered in its order, as well as the effects which they are likely to produce, not only on the commodity itſelf in relation to which they occur, but ſubſequently with a view to the effects which they indirectly produce upon the value of all other commodities, which form portions of individual riches.

1. *Of*

1. *Of the Effects of the Diminution of the Quantity of any Commodity on the Value of that Commodity.*

On firſt conſideration, it naturally occurs, that if the members of a ſociety had devoted a portion of their reſpective riches for the acquiſition of any given commodity, and a ſudden ſcarcity had occaſioned the exiſtence of only half of the uſual quantity of that commodity, the ſame portion of other goods, remaining applicable to the acquiſition of the half which had antecedently been employed in acquiring the whole, the value of any quantity of it would be doubled.

For example: if one thouſand pound weight formed the ordinary conſumption of ſugar in any ſociety, and L. 50 repreſented the value of thoſe commodities which the different members of the ſociety allotted to give in exchange for ſugar, ſugar would then be at one ſhilling a pound; becauſe one pound

is

is a thouſandth part of one thouſand pound, and one ſhilling a thouſandth part of L. 50.

But if the ſupply of ſugar was diminiſhed to five hundred pound weight, one pound of ſugar would then form the five hundredth part of the whole ſupply; and therefore it would be natural to conclude, that it would be worth two ſhillings a pound, as that ſum is the five hundredth part of L. 50.

This reaſoning, however, would be found altogether fallacious; for the alteration of value, which the diminution of the quantity of any commodity creates, depends upon a principle totally different.

One thouſand pound weight of ſugar was the quantity the ſociety deſired, when ſugar was at the price of one ſhilling a pound, and the quantity they were accuſtomed to enjoy. To convey an idea of the real effect of diminiſhing at once the ſupply of

ſugar

ſugar to five hundred pound weight, let us ſuppoſe that this ſociety conſiſted of one hundred families, each of whom had the habit, at the time the ſupply amounted to one thouſand pound weight, of conſuming ten pound weight of ſugar; for the acquiſition and payment of which, each family, in the diſtribution of the order of their expences, uſed to ſacrifice of the commodities they poſſeſſed the value of ten ſhillings, making of courſe the total value of commodities ſacrificed to the acquiſition of ſugar by the hundred families amount to L. 50.

Each of theſe families being in the habit, according to this hypotheſis, of conſuming ten pounds weight of ſugar; it muſt be a wiſh natural and common to them all, to continue enjoying, as nearly as poſſible, the ſame quantity of that commodity to which they were habituated. As the taſtes of men are, however, various, ſome muſt be willing to ſacrifice much more of their other enjoyments than others, though all of them will probably be willing to de-

prive

prive themſelves of ſome part of them for this purpoſe; it being highly improbable that ſugar, or any other article whoſe quantity is ſuddenly diminiſhed, ſhould happen to be the one, among all the numerous objects of their deſire, the conſumption of which any of theſe families will moſt incline to relinquiſh or abridge.

Thus, the deſire for ſugar, which either taſte or habit may have created, may, in ſome of theſe families, make them willing to deprive themſelves of a portion of their other enjoyments, equal to the value of twenty ſhillings, rather than abridge their conſumption of ſugar. The deſire of others for that article may be ſo great, that, rather than forego conſuming, as nearly as poſſible, the quantity to which they were habituated, they would ſacrifice thirty ſhillings worth of their other enjoyments. And as there is no anſwering for the effects of taſte and habit, there might exiſt in the ſociety men willing to ſacrifice forty ſhillings worth of their other enjoyments,

ments, for the purpoſe of retaining, as nearly as may be, the quantity of ſugar to which they were accuſtomed.

The competition that would be thus created, *might*, it is evident, raiſe the price of ſugar, in a degree far beyond what we ſhould be apt, at firſt ſight, to expect from the diminution in its quantity. Indeed, it *muſt* have this effect, were it not that ſome of the conſumers of ſugar, preferring the enjoyment of the other things to which they were habituated, might be, on this account, willing to retrench in that article, or perhaps to renounce the uſe of it altogether. On this laſt ſuppoſition, the five hundred pound weight of ſugar, which in conſequence of the ſuppoſed diminution in the quantity would form the whole ſupply of the market, would ultimately be acquired by the remaining conſumers of ſugar, in ſhares proportioned to the ſacrifices which each was willing to make for the acquiſition of it. But ſuppoſing the demand, created by the ſacrifices which

which all were willing to make, to be ſuch as to raiſe the price of every ten ſhillings worth of ſugar thirty ſhillings more than formerly, then one hundred times thirty ſhillings, making L. 150, in addition to the former L. 50, in all L. 200, would repreſent the value of commodities ſacrificed for the acquiſition of ſugar; and ſugar would of courſe be at eight ſhillings the pound; one pound of ſugar being the five hundredth part of five hundred pounds weight, and eight ſhillings being the five hundredth part of L. 200.

This hypothetical ſtatement of the increaſe in the value of ſugar, which the abſtracting of one-half of the ſupply might occaſion, without pretending to give any accurate notion of the preciſe extent to which the value of the commodity would be raiſed, will lead the imagination to form, with greater facility, a juſt idea of the manner in which the diminution of the quantity of a commodity may affect the value of it.

It

It is obvious, that the deſire of mankind to continue their uſual enjoyments, muſt, with certainty, raiſe the price of every commodity of which the quantity is diminiſhed: this riſe of value muſt undoubtedly, in ſome inſtances, check the demand for it; and that again tends to counteract the effects the diminution of the quantity of the commodity would otherwiſe have in raiſing its value. The riſe of value, therefore, of any one commodity, in conſequence of the diminution of its quantity, muſt be regulated by the perſeverance of the conſumers in their deſire to enjoy the ſame quantity; which muſt univerſally depend on the nature of the commodity in which the ſcarcity exiſts; as the obſtinacy in attempting to acquire the ſame quantity of it, muſt be proportioned to the degree of inclination which either neceſſity, habit, or taſte, has created for it. Thus, though we have known grain, meat, and other articles of firſt neceſſity, in certain ſituations, and under certain circumſtances, riſe in value

from one to fifty *, articles of taſte or luxury have hardly, in any inſtance, ever been found to riſe to double or triple their uſual value.

The diminution of quantity, therefore, muſt raiſe the price of different commodities in different degrees, having always a more powerful effect in proportion to the degree in which the commodity itſelf appears neceſſary.

2. Of the Effects of the Increaſe of the Quantity of any Commodity on the Value of that Commodity.

In conſidering the effects of the diminution of the quantity of any commodity on its total value, it was remarked, that it naturally occurred, that if the members of any

* See the account of the prices of grain, &c. in the ſiege of Paris, 1590. *Rapport entre l'Argent et les Denrées*, p. 44, 45.

any ſociety had devoted a portion of their reſpective riches for the acquiſition of that commodity, and a ſudden ſcarcity had occaſioned the exiſtence of only half its uſual quantity, the ſame proportion of other goods remaining applicable to the acquiſition of the half which had antecedently been employed in acquiring the whole, the value of any given quantity of it would be doubled.

In like manner, in conſidering the effects of the increaſe of any commodity on the value of the commodity, we are alſo led, at firſt ſight, to conclude, that if the quantity of any commodity ſhould be ſuddenly doubled, the ſame portion of other goods remaining applicable to the acquiſition of it, which had been employed before the augmentation in acquiring what now conſtitutes one-half of the commodity, the value of any given portion of it would be reduced one-half.

This reaſoning, however, would be found juſt as fallacious, as that which was ſtated

to occur on firſt conſidering the diminution of the quantity of any commodity; for the effects of the increaſe of the quantity of a commodity, upon the value of that commodity, depend alſo on a very different principle.

To convey an idea of the real effects of increaſing the quantity of any commodity on the value of that commodity, let us again ſuppoſe a ſociety, in which one thouſand pound weight of ſugar formed the ordinary conſumption; and L. 50 repreſented the value of thoſe commodities which the growers of ſugar acquired in exchange for their ſugar, and which of courſe they were habituated to enjoy.

If, all at once, there came into the market two thouſand pound weight, the value of ſugar, by this alteration in the proportion betwixt the quantity and the demand for it, would be ſuddenly reduced. The conſumers of ſugar would find, that they could get the quantity of that article they were habituated

ted to enjoy, by ſacrificing a much ſmaller quantity of their property to the acquiſition of it. The growers of ſugar, on the contrary, would diſcover, that they could by no means procure, in exchange for ſugar, the ſame quantity of the objects of their deſire; each of them, however, naturally endeavouring to obtain the ſame things to which he was formerly habituated, would be induced, for that purpoſe, to preſs his ſugars on the conſumers; and though at firſt, in ſome inſtances, the market might be ſo managed, by not producing too much at a time, that the reduction of price might be comparatively trifling, yet the avidity of each of the growers of ſugar, to obtain, in exchange for his ſugar, as nearly as poſſible the ſame quantity of thoſe commodities which he was formerly accuſtomed to enjoy, would ultimately force the market, in ſuch a manner as to render the ſugar, thus doubled in quantity, incapable of acquiring any thing like the ſame quantity of goods which the growers

of ſugar formerly obtained in exchange for the commodity they reared.

It is true, that this reduction of price would create new conſumers of ſugar, which would, in a degree, counteract the effects of the augmentation of the quantity of ſugar upon the value of that commodity, in the ſame manner as the riſe of value, in conſequence of the diminution of the quantity of a commodity, has been deſcribed to be checked, by ſome of the conſumers renouncing the uſe of it; and the effect of increaſing the quantity, in diminiſhing the value of any commodity, muſt undoubtedly be more or leſs in proportion as the diminution of its value creates ſources of demand.

The alteration, therefore, in the value of commodities, in conſequence of the increaſe of the quantity of them, muſt depend, in a great degree, on the nature of the commodities themſelves.

With

With reſpect to the neceſſaries of life, if a peculiarly fertile ſeaſon ſhould create an extraordinary abundance of them, as every perſon muſt generally enjoy nearly as much of thoſe as he can conſume, without which he could not exiſt; there is hardly a poſſibility of conceiving any ſudden ſource of extended demand, capable of counteracting the effects of the abundance. But, on the value of thoſe ornaments and luxuries, which ſcarcity has rendered precious, a proportionable increaſe of quantity could never effect the ſame variations: as the reduction of the price of an article, (which, after all, would be ſo ſcarce), muſt increaſe the number of candidates for it, and thus create new ſources of demand, ſufficient to abſorb the additional quantity, long before its value was very greatly depreſſed.

The increaſe of quantity, therefore, muſt ſink the price of different commodities in different degrees, having always a more

powerful effect in proportion to the degree in which the commodity has been conſidered neceſſary, and, as ſuch, is an article of general conſumption.

Thus, though it appears probable, as conjectured by Sir RICHARD STEELE, that an increaſe of one-tenth more than is uſually conſumed of grain, might diminiſh the value of the grain in the country one-half; yet the exiſtence of a tenth more of diamonds, or a tenth more of gold, never could have ſuch an effect.

3. *Of the Effects of an Increaſe of Demand for any Commodity, on the Value of that Commodity.*

As the value of every commodity depends alone on the proportion betwixt the demand for it, and the quantity of it, and as ſimilar alterations in the proportion betwixt the demand and the quantity of any commodity, may be produced, either by variations

tions in the quantity of it, or by variations in the demand for it; it follows, that ſimilar effects muſt enſue, whether the variation is produced by an alteration in the quantity of the commodity, or by an alteration in the demand for it; provided always, that in conſequence of ſuch alterations, the ſame proportion is eſtabliſhed betwixt the demand for, and the quantity of the commodity.

For example: let us ſuppoſe any two ſocieties poſſeſſed of the ſame quantities of all ſorts of commodities, and each enjoying a ſupply of a thouſand pound weight of ſugar, for which there exiſted a ſteady and ſettled demand; if, in the one country, the ſupply of the market ſhould be diminiſhed to five hundred pound weight, it is obvious, that the demand would be double the quantity for which there exiſted a ſupply; and if, in the other country, the ſupply continuing at one thouſand pounds weight, there ſhould ſuddenly ariſe

a demand for two thouſand pounds weight, it is equally obvious, that, in this caſe, the demand would be double the quantity for which there exiſted a ſupply. The new proportion, therefore, eſtabliſhed betwixt the demand and the quantity, would, in either caſe, be exactly the ſame; and of courſe, the value of any given quantity of ſugar muſt, in either caſe, undergo exactly the ſame alteration.

If, therefore, we could ſuppoſe that there was any accuracy in conjecturing, that the diminution of the ſupply of ſugar from one thouſand to five hundred pound weight, would raiſe the value of ſugar from one ſhilling to eight ſhillings a pound, it follows, that ſugar, if the demand was by any means doubled, would alſo riſe to eight ſhillings a pound; the whole thouſand pound weight would then be worth L. 400; and of courſe L. 350 worth of goods, antecedently allotted for the purchaſe of other commodities, muſt be added, in conſequence of the increaſed demand, to the

L. 50

L. 50 worth, previouſly applicable to the acquiſition of the one thouſand pounds weight of ſugar, when the ſugar was at one ſhilling a pound.

In ſtating the effects of the diminution of one-half of the ſupply of ſugar, it was obſerved, that the augmentation of the price might induce ſome of the conſumers of ſugar, who preferred the full enjoyment of other things, to which they were habituated, to renounce in whole or in part the uſe of ſugar; and that the riſe in its value, by the reduction in its quantity, might, in ſome degree, receive a check from this circumſtance. In like manner, when the value of ſugar riſes in any great degree by a ſudden extenſion of demand, ſuch as we have here ſuppoſed, it is obvious, that a ſimilar check to the riſe of its value, will, to a certain extent, be given, by ſome of thoſe who were habituated to enjoy ſugar at one ſhilling a pound not chooſing to ſacrifice to the acquiſition of ſugar ſo much of

the

the other commodities they were accuſtomed to enjoy, as becomes neceſſary to obtain ſugar in conſequence of the riſe in its value.

The degree, however, in which this check will operate, as in the former caſe, muſt depend upon the nature of the commodity for which the extenſion of demand takes place. It is obvious, that no riſe in value can induce men to renounce the acquiſition of the neceſſaries of life, provided any ſacrifices they can make will procure them; and this check will therefore operate, juſt in proportion to the degree of inclination which either neceſſity, habit or taſte, had created for the commodity; that is, it will be more inconſiderable, in proportion as the inclination to obtain the uſual quantity of it is leſs urgent.

4. *Of*

4. *Of the Effects of Diminution of Demand for any Commodity, on the Value of that Commodity.*

FROM what has been ſaid on the three caſes of the variation in the value of commodities, which have been already conſidered, it muſt be at firſt ſight clear, that as this fourth, and only remaining circumſtance, which can cauſe variation of value in any commodity, again ſuppoſes an alteration in the proportion betwixt the demand for, and the quantity of, the commodity in which it takes place; it muſt alſo produce effects ſimilar to thoſe that have already been deſcribed.

If, for example, we ſuppoſe a ſociety, whoſe uſual ſupply of ſugar amounted to one thouſand pound weight, for which there exiſted a ſettled and ſteady demand; ſhould an alteration in the ſtate of this ſociety,

ciety, all at once induce them to be ſatisfied with five hundred pounds weight, the demand would of courſe be reduced one-half. Sugar muſt, therefore, become cheaper; and the natural deſire in the growers of ſugar, to acquire as nearly as poſſible, in exchange for their ſugars, the quantity of other commodities that they were habituated to enjoy, would lead them to force the market in ſuch a manner, as to make the one thouſand pounds weight of ſugar ſell for a ſum much ſmaller than the L. 50, which formed the value of the whole thouſand pound weight, when ſugar was at one ſhilling a pound.

The reduction of the value of ſugar might, as in the caſe of diminution of value by augmentation of quantity, create new ſources of demand; but as, in that caſe, it was obſerved, that the extent of the alteration of value depended upon the nature of the commodity, the extenſion of the quantity having always a more powerful

ful effect in reducing the value, in proportion to the degree in which the commodity has been conſidered neceſſary; ſo, in the preſent caſe, the alteration, which the reduction of demand operates, muſt alſo depend upon the nature of the commodity, and will be regulated on the ſame principle.

Before concluding this ſubject, it is neceſſary to remark, that though variations in value, whether produced by alteration of the quantity of commodities, or of the demand for them, provided they occaſion ſimilar alterations in the proportion, muſt produce the ſame effects upon the value of any commodity, or in the degree in which it forms a portion of individual riches; yet they indicate very different effects on the ſtate of national or public wealth: for it has already been obſerved, that by the diminution of the quantity of a commodity, its value will be increaſed, though the national opulence is by that means diminiſhed;

ed; and that an augmentation of the quantity of a commodity muſt diminiſh its value, though by this means the national opulence is increaſed. When, however, an increaſe of the value is produced, by an augmentation of demand, or the value of any commodity is reduced by a diminution of demand, the national opulence or public wealth of the community is, at the moment of the alteration in the demand, in every reſpect unaltered and unchanged, notwithſtanding the variation which takes place in individual riches.

Having now explained the manner in which the value of commodities, or the degree in which they form a portion of individual riches, is affected; *firſt*, By a diminution of the quantity of a commodity; *ſecondly*, By an increaſe in its quantity; *thirdly*, By an increaſe in the demand for it; and, *fourthly*, By a diminution of demand for it; I proceed to conſider, what effect the alteration in the

order

order of the expenditure, (which a diminution or augmentation in the value of any one commodity muſt produce), will, in each of theſe events, occaſion on the ſum-total of individual riches.

1. *Of the Effects of the Alteration in the Order of Expenditure, occaſioned by a Diminution in the Quantity of any Commodity.*

If, in any ſociety, the quantity of ſugar, as we have already ſuppoſed, be diminiſhed from one thouſand pounds weight to five hundred; ſhould the conjecture that has been made, to wit, that this might increaſe the value of ſugar from L. 50 to L. 200, be accurate; it would be, at firſt ſight, natural to ſuppoſe, that the additional L. 150 worth of commodities, now applied to the purchaſe of ſugar, which uſed to be employed in the acquiſition of other articles, would reduce the value of thoſe articles juſt as much as the value of ſugar was, by this means, increaſed; and that, therefore, the

ſum-total of individual riches would remain the ſame. But a little attention muſt convince any one, after peruſing the remarks which have been made on the conſequence of alteration in demand, as well as on the effects of alteration in quantity, that this cannot be the caſe.

As the taſtes of men, as well as their attachments to different habits, are various; if by any means they were induced to ſacrifice L. 150 worth of their other enjoyments to the acquiſition of ſugar, it is probable that they would obtain this extra ſum by a diminution of conſumption, more or leſs, of every commodity which forms a portion of individual riches.

With a view, however, to explain the effects of this derangement of expenditure, let us ſuppoſe that the taſtes of men ſhould lead them to procure the L. 150, the advanced ſum we have ſuppoſed to be neceſſary to obtain the five hundred pounds weight

weight of ſugar, by transferring to the acquiſition of ſugar a part of the commodities which they formerly allotted to obtain the three articles of butchers-meat, wine, and muſtard; and let us further ſuppoſe, that the conſumers of ſugar actually withdrew L. 50 from the uſual expenditure in each of theſe articles.

If L. 50 worth of commodities uſually allotted to the purchaſe of butchers-meat, was withdrawn from the acquiſition of that article, the demand for butchers-meat muſt be diminiſhed, and the eſtabliſhed proportions betwixt the demand for it and the quantity of it, altered in ſuch a manner as to reduce its value. But we have already ſhewn, that a diminution of demand for any commodity reduces the price of the whole commodity, much more than the ſum which repreſents the amount of the demand that is abſtracted from it; and it is evident, that the natural avidity in the proprietors and retailers of but-

chers-meat, to acquire and conſume the uſual quantities of commodities, which they were accuſtomed to receive in exchange for this article, would, (as has been remarked in the caſe of the growers of ſugar), induce them to force the market to ſuch a degree, as to render L. 50 a very inadequate repreſentation of the total diminution of the value of all the butchers-meat in the market, which the abſtracting of L. 50 worth of demand would create; for, in reality, the value of the butchers-meat would be thus diminiſhed in a much larger ſum.

It is obvious, too, that ſimilar effects will be produced in the diminution of the value of muſtard and of wine, by the ſuppoſed abſtraction of L. 50 worth of commodities, which uſed to be appropriated to the purchaſe of thoſe articles.

The eagerneſs of the growers and poſſeſſors of each of theſe articles, to attain as nearly

nearly as poſſible the ſame quantity of commodities in exchange for it, muſt, as in every caſe of diminution of demand, reduce the value of the article much more than the amount of the value of the demand abſtracted. The effect, however, of abſtracting L. 50 worth of demand from butchers-meat, from wine, and from muſtard, muſt be very various in degree; becauſe, abſtracting a demand to the extent of L. 50, muſt produce a very different effect on the proportion betwixt the demand for, and the quantity of, each of theſe commodities.

It is plain that, whilſt it might diminiſh the demand for muſtard one-half, it might perhaps abſtract only a fifth of the demand for wine; whereas, in the caſe of the butchers-meat, it might probably annihilate only a twentieth or a thirtieth of the uſual demand: and as this would have very different effects in altering the proportion betwixt the quantity and the demand of each

of theſe articles, ſo it muſt alter, in a very different ratio, the value of a given quantity of each; which has already been exemplified in the calculation quoted from DAVENANT concerning the price of corn*.

2. *Of the Effects of the Alteration in the Order of Expenditure, occaſioned by an Increaſe of Demand for any Commodity.*

As we already know, that an augmentation of demand, if it eſtabliſhes ſimilar proportions betwixt the demand for, and the value of, any commodity, muſt produce ſimilar effects upon the value of any portion of it; let us ſuppoſe, inſtead of the ſupply of ſugar being reduced from one thouſand pound weight to five hundred, that the ſupply remaining the ſame, (to wit, one thouſand pound weight), there ſhould ariſe a ſudden demand for two thouſand pound weight. On this ſuppoſition, if we were right in conjecturing, that ſugar, by the diminution

* See page 51.

diminution of the one-half of its quantity, would riſe to eight ſhillings a pound, ſugar muſt then alſo riſe to the ſame price, in conſequence of the increaſed demand; and the value of the whole one thouſand pound weight of ſugar would of courſe be L. 400.

In this caſe, inſtead of L. 150 worth of goods being abſtracted from the acquiſition of other commodities, it is evident the conſumers of ſugar would be under the neceſſity of abſtracting L. 350 worth of articles, which they antecedently devoted to the acquiſition of other enjoyments; and if we ſuppoſe their taſtes, in like manner, to lead them to procure this ſum, by curtailing their conſumption of butchers-meat, wine and muſtard, there would be, all at once, a deficiency in the ordinary demand for each of theſe articles to the extent of the third part of this L. 350; that is, to the extent of L. 116, 13 s. 4 d., which would produce a much more formidable diminution in the value

of butchers-meat, wine and muſtard, than was occaſioned by abſtracting L. 50 worth of demand from each; and of courſe impoveriſh, in a much greater degree, the proprietors of thoſe articles.

It is extremely important here to obſerve, that though, by this means, the maſs of individual riches would be much diminiſhed, yet this laſt hypotheſis proceeds upon the idea, that ſugar, butchers-meat, wine and muſtard, ſhould all of them exiſt in the ſame quantities; and, indeed, that the ſtate of no one commodity whatever ſhould be altered: that is, that the wealth of the nation ſhould remain exactly the ſame; the diminution of individual riches, being, in this inſtance, alone created in conſequence of a ſuppoſed change of taſte, which produces a ſudden alteration in the demand for one commodity.

Further: though the conſequences of this ſudden demand for an increaſed quantity of

of ſugar, in reducing the value of butchers-meat, wine and muſtard, of which we have attempted to give a view, muſt have a conſiderable effect on the diminution of the maſs of individual riches, by its operation on the value of theſe three articles; its effects will not terminate here: for the proprietors of butchers-meat, wine and muſtard, having, from the reduction of the value of their property, leſs to beſtow on their different enjoyments, the demand for other commodities muſt be by this means diminiſhed, and that, in every caſe, to a greater degree than the amount of the ſum which repreſents the demand abſtracted; for it is important always to recollect, that every abſtraction of demand muſt produce a diminution in the ſum-total of the value of the commodity from which it is abſtracted, greater than is expreſſed by the ſum abſtracted.

It is on this principle, that a great and ſudden alteration of demand for any commodity

modity or claſs of commodities, has been always found to produce a fatal diminution of individual riches, though the wealth of the nation remains unaltered and unchanged: and this is a propoſition the truth of which does not depend upon any theory. The merchants of this country have ſeverely felt it, both at the commencement of the laſt, and of the preſent war *. It is the knowledge mercantile men derive from experience of the calamitous effects of a ſudden alteration of demand, that leads them often to declare, (what, to thoſe who have not ſtudied the ſubject, appears ridiculous), that they prefer even the calamities of continued warfare, with all its attendants, ſuch as

* The following ſtatement of bankruptcies, taken from the London Gazette, ſeems to ſhew, that the effects of this derangement of expenditure, is felt, more or leſs, at the commencement of every war.

	Bankruptcies.		Bankruptcies.		Bankruptcies.
In	1752, - 158	In	1774, - 360	In	1784, - 517
	1753, - 214		1778, - 675		1791, - 604
	1754, - 244		1779, - 544		1792, - 628
	1756, - 278		1780, - 449		1793, - 1304
	1757, - 274				

as advanced wages, increaſed freights, and inſurances, to a fluctuation betwixt war and peace; and the theory here advanced explains the grounds of the aſſertion.

Indeed, nothing can more forcibly illuſtrate the truth of this doctrine, than the events which happened at the commencement of the laſt war. The ſudden demand for all thoſe articles which warfare makes neceſſary abſtracting a large portion of the demand from the commodities prepared and preparing for the market, on the ſuppoſition it was to remain in the uſual ſtate, diminiſhed thereby the value of the commodities on hand to ſuch a degree, that the merchants and manufacturers were incapable of making good their engagements.

In this ſituation, Government aided the mercantile intereſt with loans of money, in two hundred and thirty-eight different caſes,

ſes, amounting in all nearly to two million two hundred thouſand pounds *. This empowered the merchants to retain their goods for a time; and as the quantity imported and manufactured was ſoon curtailed, in conſequence of the effects of the war, the proportion came within a ſhort time to be reſtored betwixt the demand and the quantity, in ſuch a manner, that the commodities reſuming their former value, thoſe who received aſſiſtance were enabled to repay Government without any loſs: which was to be expected, becauſe, though the value of the commodities was diminiſhed in conſequence of the ſudden alteration of demand, they remained in ſubſtance: the wealth of the nation was in fact nowiſe affected by it; and the goods in hand were ſure to reſume their value, whenever, by the diminution of ſupply, the proportion came to be reſtored betwixt the

* The exact ſum was L. 2,202,200.

the quantity of them and the demand for them *.

3. *Of the Effects of the Alteration in the Order of Expenditure, occaſioned by an Increaſe in the Quantity of any Commodity.*

THE variation likely to be effected in the value of a commodity, by an increaſe of its quantity, has been already traced out and exemplified, by ſuppoſing the uſual ſupply of ſugar in any ſociety to be at once increaſed from one to two thouſand pound weight. The reduction of the value

* It is perhaps unfortunate, that the cauſe of this evil, as well as the mode in which the relief operated, never was ſufficiently explained; otherwiſe it would have been impoſſible that ſimilar relief ſhould have been refuſed at the commencement of the preſent war: becauſe, as the evil originates with meaſures which Miniſters think it neceſſary to take for the public ſafety, it is not alone views of expedience which ought to induce Government to aid the mercantile intereſt, for the merchants muſt appear to have in equity a right to ſuch aſſiſtance.

lue of that article, which muſt naturally enſue from the manner the growers of ſugar will be induced to preſs it on the market, in conſequence of their avidity to obtain the uſual quantity of the objects of their deſire, has been pointed out; and it appears obvious, that the conſequence of thus reducing the ſum-total of commodities applicable to the acquiſition of ſugar, muſt be, that a part of what was formerly applied to the purchaſe of this article, becoming unappropriated, will remain in the hands of the conſumers of ſugar, to be uſed for the acquiſition of ſuch other commodities as are moſt ſuitable to their taſte.

For theſe articles, therefore, whatever they may be, there muſt of courſe be an additional demand; and the value of each of them muſt riſe juſt in proportion, as more or leſs of the goods formerly applied to the acquiſition of ſugar, is now appropriated to acquire that particular article.

Though

Though reaſon teaches us that this muſt be the caſe, it is not alone to be inferred from theory and ſpeculation. In practice, the effect of a great increaſe of the quantity of a commodity, in raiſing the price of other commodities, has been long a matter of notoriety. It has been long a common and conſtant remark of thoſe who habitually attend to the value of public ſecurities, that the price of ſtock, in a fertile ſeaſon, will ſtand perceptibly higher, by two or three *per cent.*, than in a year of ſcarcity.

Grain is, indeed, the article moſt neceſſary to man; and as mankind muſt generally enjoy nearly a ſufficiency of that on which their exiſtence depends, a ſudden increaſe in the quantity of ſuch an article, muſt, as has been ſhewn, produce a greater diminution in its value, than a proportionable increaſe of quantity would produce in the value of articles of taſte; becauſe there is hardly a poſſibility of conceiving a ſudden ſource of extended demand, and of means

means of ſatisfying that demand, for a thing of which every man muſt have nearly enough; whereas, the reduction of value produced in articles of taſte, by a ſimilar increaſe of quantity, (which, after this increaſe, will ſtill remain comparatively ſcarce), muſt create new ſources of demand for them, long before their value can be materially reduced.

The effect, therefore, of an increaſe in the quantity of grain, in raiſing the price of other commodities, muſt be more eaſily perceived; but there is no commodity whatever, of which the quantity can be increaſed ſo as to diminiſh its value, without occaſioning an augmentation of the value of ſome other article.

4. *Of the Effects of the Alteration in the Order of Expenditure, occaſioned by a Diminution of Demand for any Commodity.*

As there never exiſts a deſire, and conſequently a demand, for any commodity, but

but from the circumſtance of its power to ſatisfy either the appetite or taſte of mankind; ſo there never exiſts a diminution in the demand for any commodity, but—either in conſequence of a riſe in the value of ſome other commodity, the full enjoyment of which man prefers, making it neceſſary to abſtract ſome part of the commodities uſually appropriated to the acquiſition of it, that by their means he may obtain, as nearly as poſſible, his uſual quantity of the commodity he prefers;—or in conſequence of ſomething being diſcovered better adapted to ſatisfy the ſame deſires.

It appears, therefore, that the effects in the alteration of the order of expenditure occaſioned by a *diminution* in the demand for any commodity, have been already conſidered, and treated of under the head of the effects in the alteration of the order of expenditure occaſioned by the *increaſe* in the demand for any commodity.

This part of the ſubject was there illuſtrated, by pointing out the conſequences of diminution of demand for the articles of butchers-meat, wine and muſtard: it is, therefore, here only neceſſary to repeat, that the effects in the diminution of demand for any article, never terminate by diminiſhing the value of the commodity in relation to which they take place; becauſe, as the proprietor of that commodity muſt, by the diminution of its value, have leſs to beſtow on the acquiſition of the various objects of deſire he was accuſtomed to enjoy, ſo a diminution in demand muſt alſo take place with regard to them; and the ſame conſequences muſt, indirectly through them, enſue with relation to other commodities, which the poſſeſſor of this laſt claſs of goods was habituated to enjoy.

Though it ſeems eſtabliſhed by the foregoing reaſoning, that an augmentation in the riches of individuals may be attended with a diminution of the national wealth, that

that the riches of individuals may be diminiſhed by a nation's becoming more wealthy, and that, while the national wealth remains unaltered in every particular, there may be, from the circumſtance of variation in demand, a diminution or augmentation in the ſum-total of individual riches; (though, indeed, it can ſeldom happen, that an increaſe of the one ſhould produce a ſimilar increaſe in the other); yet there is a poſſibility that the maſs of individual riches may be ſo increaſed under ſuch circumſtances, that the increaſe will indicate a proportional augmentation of national wealth.

Let us ſuppoſe, for inſtance, that the ſupply of ſugar ſhould ſuddenly increaſe in any ſociety; for example, from one thouſand to fifteen hundred pound weight; and that the demand ſhould increaſe in the ſame proportion: let us further ſuppoſe, that every perſon who grew or fabricated any commodity with which ſugar was purchaſed, ſhould

have, in like manner, produced an extra quantity of various articles, for which the growers of ſugar ſhould have alſo a proportionably increaſed demand. Then, as the hypotheſis implies, that in every inſtance there would be maintained the ſame proportion which exiſted antecedent to the increaſe of production, both betwixt the quantity and demand for each of the commodities uſually ſacrificed to the acquiſition of ſugar, and betwixt the demand for, and quantity of, ſugar itſelf; the increaſe of value muſt be, in ſuch a caſe, exactly proportioned to the increaſe of quantity: that is, the maſs of individual riches, and the wealth of the nation, will increaſe in the ſame proportion.

It follows then, that, when we come to examine whether the wealth of the nation will really be augmented by any propoſed regulations, (as men are only intereſted in ſoliciting legiſlative arrangements in conſequence

ſequence of their effect in increaſing individual riches), we muſt conſider :—

1. Whether that augmentation of individual riches is produced ſolely by the diminution of the quantity of any commodity.

2. Whether it is produced ſolely by an augmentation of demand for any commodity.

For, in the firſt of theſe caſes, there muſt of neceſſity be a diminution of national wealth;—in the ſecond, national wealth will neither be increaſed nor diminiſhed; and, in both caſes, though there will be an immediate increaſe of individual riches, as far as the value of one commodity contributes; yet, in conſequence of the derangement of expenditure, there will be a much greater diminution in the value of other commodities, and, of courſe, a great fall-

ing off in the general maſs of individual riches.

If, however, we find, that the means propoſed tend to increaſe proportionably both the quantity of and the demand for any commodity, and at the ſame time to create funds for the acquiſition of this additional quantity, without diminiſhing the demand for any other commodity, it may be then conſidered as a propoſition which will undoubtedly augment, in the ſame proportion, both the riches of individuals and the wealth of the nation.

For example: if the ſupply of ſugar is increaſed from one thouſand to fifteen hundred pound weight, and there ſhould, that year, be produced by the conſumers of ſugar an extra quantity of grain, (for which the growers of ſugar ſhould have a demand), juſt ſufficient to pay for the increaſed quantity of ſugar; then, as the proportion betwixt the demand for and the quantity

tity of ſugar would be preſerved, notwithſtanding the increaſed ſupply; and as the proportion would be in like manner preſerved in relation to grain, and nowiſe altered in any other commodity; the increaſe of individual riches would be in direct proportion to the increaſe of the quantity of grain and ſugar: that is, public wealth and individual riches would increaſe in ſimilar proportions.

But if it ſhould appear, that the means propoſed tend only to create a riſe in the demand and the quantity of one commodity,—of ſugar for example; and that this additional quantity of ſugar is to be paid for, by abſtracting a portion of commodities from the acquiſition of other objects of deſire; then the national wealth may indeed be increaſed in the ſame proportion with individual riches in the ſingle article of ſugar: that is, the quantity of ſugar and the value of it will increaſe in the ſame proportion. But the diminution of demand

for other commodities, from the purchaſe of which there was abſtracted that which is now applied to the acquiſition of the additional quantity of ſugar, muſt reduce the price of them ſo as to diminiſh the maſs of individual riches; becauſe, as has been already explained, the abſtraction of demand to a given amount always ſinks the value of the commodity from whence the demand is abſtracted, to a much greater amount than the value abſtracted.

For inſtance: if the growers of grain, whom we ſuppoſe to have had a demand for, and to have purchaſed the increaſed quantity of, ſugar, inſtead of having an increaſed quantity of grain to pay for it, had paid for it by abſtracting from the acquiſition of butchers-meat, wine and muſtard, a quantity of grain which they formerly ſacrificed to the purchaſe of theſe commodities; then the reduction of the price of theſe articles, in conſequence of the diminution of demand for them, muſt (notwithſtanding

ing the national wealth and the maſs of riches are proportionably increaſed in as far as ſugar is concerned), occaſion a diminution in the maſs of individual riches, becauſe the diminution upon thoſe articles muſt be much greater than the increaſe in the value of ſugar.

The concluſion is therefore inevitable, that there exiſts only one caſe, and that a very improbable one, (to wit, when the quantity and the demand for any commodity are proportionally increaſed, and funds at the ſame time are created for the acquiſition of the increaſed quantity, as well as the ſatisfaction of the increaſed demand),—in which an increaſe in the maſs of individual riches produces a ſimilar effect on the wealth of the nation.

It is further neceſſary to remark, that when variations in value, or in the maſs of individual riches, are created by alterations in the quantity of any commodity, the oppoſite

ſite effect in all caſes immediately takes place in public wealth. A diminution of the value of a commodity, in conſequence of an alteration of its quantity, is an invariable ſymptom of an immediate increaſe of its quantity; and of courſe of an increaſe of public wealth: an augmentation of the value of a commodity, in conſequence of an alteration of its quantity, is an invariable ſymptom of an immediate diminution of its quantity, and conſequently of a diminution of public wealth.

But if there is a diminution in the value of a commodity, in conſequence of a variation in the demand for it, this is no ſymptom of an immediate alteration in the quantity of the commodity; but it is a ſure preſage of future diminution of its quantity, and of courſe a diminution of public wealth; and if there is an augmentation in the value of a commodity, in conſequence of an alteration in the demand for it, this in like manner is no ſymptom of an altera-

tion

tion in the quantity of a commodity; though it is always followed by a reduction of its quantity, and of courſe by a reduction of public wealth.

A confirmation of the opinion, that private riches and public wealth can hardly ever increaſe in ſimilar proportions, is not, therefore, the only valuable information we derive from contemplating the variations which changes of quantity and of demand create, not only in the value of the commodities in which they take place, but alſo indirectly in that of all other commodities; and of courſe in the value of the maſs of what is annually produced by nature and art.

For, as exchangeable value (the poſſeſſion of which conſtitutes any commodity a portion of individual riches), is, when accurately conſidered, merely the practical means of expreſſing the degree of deſire for any particular article of wealth, it is alſo moſt material

material to obſerve the forcible manner in which, from this analyſis of the cauſes of variation in the value of commodities, it appears that demand muſt at all times regulate both the quantity and quality of what is produced.

Thus, when variations in value are created by an increaſe of demand for any commodity, the induſtry of the community is not alone directed to increaſe the production of that article, by the extraordinary encouragement derived from its augmented value; for a part of the induſtry is at the ſame time called off from the formation and production of other articles, by the diſcouragement which a diminution in their value creates; as was exemplified in the effects of an increaſed demand for ſugar in raiſing the price of that article, and in depreſſing the value of wine, butchers-meat and muſtard, and conſequently that of various other articles.

In

In like manner, when variation in value is occaſioned by a diminution of demand, it diſcourages the production of the commodity for which the demand is diminiſhed, not alone by the great reduction of its value; for, at the ſame time, new and highly advantageous channels of induſtry are pointed out for thoſe who were employed in producing it, by the extenſion of demand for, and conſequent riſe in, the value of other commodities, which it has been made apparent muſt take place.

It follows alſo from what has been ſtated, that when variation of value is occaſioned by alterations in the quantity of commodities, demand muſt act with the ſame compounded energy; for, when the quantity of a commodity is increaſed, the production of it is not alone diſcouraged by the great diminution of its value, but the induſtry of the community is at the ſame time directed towards the formation of articles, to the acquiſition of which thoſe goods

goods are applied, which have become unappropriated in conſequence of the cheapneſs of the abundant commodity, whoſe value is now increaſed by this additional demand.

In like manner, when the quantity of any commodity is diminiſhed, demand operates in reſtoring the uſual ſupply, not only from the encouragement it gives to thoſe who are concerned in producing that article, by the great riſe in its value; but, with augmented energy, from the circumſtance, that the neceſſary fall in the price of other commodities calls off a portion of induſtry from the formation of them, whilſt it points it to the production of the article whoſe quantity is reduced.

CHAP.

CHAP. III.

OF THE SOURCES OF WEALTH.

THOUGH it may appear extraordinary, that the ſources of wealth, which have been the object of much ſpeculation, ſhould not have been long ago accurately inveſtigated and defined; it is nevertheleſs certain, that there is no ſubject on which there has exiſted, and does exiſt, more marked variety of opinion.

Land, Labour and Capital are indeed the only ſources to which the origin of any part of our wealth has ever been aſcribed.

aſcribed. But while ſome have eagerly contended, that Land is the ſole ſource of opulence, and that whatever is acquired by Labour or Capital is derived from the landholder, others have diſcovered equal anxiety to attribute the origin and increaſe of our wealth to Commerce and Manufactures; that is, to the operation of Labour and Capital.

That ſyſtem which repreſents the produce of land as the ſole ſource of the revenue, and the wealth of a nation *, has long had its diſciples in this country, who have conſidered the earth as the fountain of all the riches and abundance of the world, partly proceeding from its mines and its fiſheries;

* This opinion is of very ancient date. It is ſaid to have been a ſaying of ARTAXERXES, King of Perſia, That "the "authority of the Prince muſt be defended by a mili- "tary force; which force can only be maintained by "taxes; and all taxes muſt, at laſt, fall upon agriculture." GIBBON's Hiſtory, vol. i. p. 256. 4to edit.

fiſheries; principally from what is nouriſhed on its ſurface *.

"What we call commodities," (ſays an ingenious author of the 17th century †), "is "nothing but land ſevered from the ſoil. "Man deals in nothing but earth. The "merchants are the factors of the world, to "exchange one part of the earth for ano- "ther. The King himſelf is fed by the "labour of the ox; and the clothing of the "army, and victualling of the navy, muſt all "be paid for to the owner of the ſoil as the "ultimate receiver. All things in the world "are originally the produce of the ground, "and there muſt all things be raiſed."

The

* See the Treaſure of Traffic by LEWIS ROBERTS, 1641. VANDERLINT's Eſſay to make Money plenty. Alſo, LOCKE on lowering the Intereſt, and raiſing the Value of Money.

† Several Aſſertions proved, in order to create another ſpecies of Money than Gold, 1696.

The ſyſtem, on the other hand, which gives to commerce the pre-eminence as a ſource of wealth, was for years the favourite, if not the eſtabliſhed doctrine, in this country *. Its followers held, that thoſe nations who have no mines of gold and ſilver, have no means to get them but by foreign trade: that in proportion to the quantity of thoſe metals which a nation can thus obtain, the prices of its commodities, the numbers of the people, and therewith the value of its land, riſe and fall: that if the exports of a nation exceed the imports, foreigners muſt pay the balance in treaſure, and that the nation muſt of courſe grow rich: that if, on the other hand, the imports exceed the exports, the balance muſt be paid to foreigners in treaſure, and the nation grow poor.

This laſt opinion, though early oppoſed by men of eminent talents, has long formed the

* See Appendix, No. II.

the groundwork on which European legiſlation has proceeded,—if we may judge from the rules and regulations that it has been the object of the Legiſlature of this country, as well as the laws of others, to eſtabliſh.

Of late years, theſe opinions have been reprobated by the Oeconomiſts in France, and by the Author of the Wealth of Nations in this country; and the fallacious, as well as the dangerous conſequences of them, have been expoſed. But though we are indebted to Dr SMITH, and to that ſect of philoſophers, for ſetting aſide a ſyſtem replete with error, we unfortunately, derive neither from the one nor the other a ſatisfactory ſolution of that moſt important queſtion in Political Oeconomy, What are the ſources of Wealth?

The prejudices of mankind, with reaſon, (as we ſhall have ample opportunity of ſhewing), revolt at the opinions maintain-

ed, with ſo much perſeverance and ingenuity, by the followers of QUESNAY, which totally ſet aſide labour and capital as ſources of wealth; and which regard that part of the produce of the earth remaining after payment of the total expences of culture, as alone contributing to the wealth of a nation: and we derive from Dr SMITH no aſſiſtance in forming our opinions on this important ſubject; for he ſeems to have had no fixed ideas in relation to it. Indeed, there is no opinion that has been any where maintained on the ſubject of the ſources of national wealth, which does not appear to have been adopted in different parts of the Inquiry into the Wealth of Nations.

1. "The annual labour of every nation "is" at one time ſtated to be "the fund "which originally ſupplies it with all the "neceſſaries and conveniencies of life "which it annually conſumes, and which "conſiſts always either in the immediate "produce

" produce of that labour, or in what is pur-
" chaſed with that produce from other na-
" tions *.

2. Lands, mines and fiſheries, elſewhere, are regarded as replacing " with a profit, " not only the capitals employed on them, " but all the other capitals employed in the " community †." That, however, which, replaces all the capitals employed in the community, and is the ſource from whence they derive their profit, muſt be the ſole ſource of wealth. Mankind are, therefore, here conſidered as deriving the whole of their wealth from land.

3. Again: plain reaſon is ſtated to dictate, that the real wealth of a country conſiſts in the annual produce of its land and labour ‡; and this opinion, which coin-

 cides

* Wealth of Nations, vol. 1. p. 1. 4to edit. This opinion is maintained by Mr HUME. See his Diſcourſe of Commerce, p. 12. edit. 1752.

† Wealth of Nations, vol. 1. p. 338. 4to edit.

‡ Ibid. vol. 1. p. 414.

cides with that of the Biſhop of Cloyne *, and the learned Author † of the Eſſay on Money and Coins, is moſt generally adhered to by Dr SMITH.

4. In another part of the work, however, we find it aſſerted, that "land "and capital ſtock are the two original "ſources of all revenue, both private and "public: capital ſtock pays the wages "of productive labour, whether employ-"ed in agriculture, manufactures or com-"merce ‡." Land and capital are therefore here deemed the ſole ſources of wealth; and labour is conſidered as deriving from them

* Queriſt. Quer. 4. "Whether the four elements, and "man's labour therein, be not the true ſource of wealth."

† "Land and labour together are the ſources of all "wealth. Without a competency of land, there would be "no ſubſiſtence; and but a very poor and uncomfortable "one without labour. So that *wealth* or *riches* conſiſt either "in a property in land, or in the products of land and la-"bour."

‡ Wealth of Nations, vol. II. p. 560. 4to edit.

them its wages, without adding to the opulence of the community.

5. Laſtly, We are taught to conſider land, labour and capital, as being, all three, ſources of wealth; for we are told, that "whoever derives his revenue from a fund that "is his own, muſt draw it either from his "labour, his ſtock, or his land. The revenue "derived from labour is called Wages; that "from ſtock Profit; and from land Rent*;" an opinion which ſeems to have been hinted at by Sir WILLIAM PETTY †, when he ſtated it as an impediment to the wealth of England, that taxes were not levied upon lands, ſtock and labour, but chiefly upon land alone; though land and labour are generally conſidered by that ingenious writer as the ſole ſources of wealth ‡.

* Wealth of Nations, vol. 1. p. 63. 4to edit.

† Tracts, Edit. 1768, p. 268.

‡ "Labour is the father and active principle of wealth, "as lands are the mother." Treatiſe on Taxes and Contributions, 1667, 4to edit. p. 47.

In treating of Political Oeconomy, the ſcience which profeſſes to diſplay and to teach the means of increaſing the wealth of a ſtate, it would ſeem that the firſt and moſt anxious object of inquiry ought to have been, What wealth is, and from what ſources mankind derive it? for it appears impoſſible to diſcuſs with preciſion the means of increaſing any thing, without an accurate notion of its nature and of its origin. Yet, if we reject the doctrine of the Oeconomiſts, it is in vain we look for a decided and preciſe opinion upon the origin of wealth, in any modern work on public œconomy; and it is impoſſible not to think, that the anxiety of the œconomiſts to overthrow that ſyſtem, which regards commerce as the ſole ſource of opulence, has led them, in rejecting labour and capital as original ſources of wealth, beyond the bounds that reaſon authoriſes.

The liberal doctrines to which this theory led, by inculcating the impropriety of all

all legiſlative reſtraints, or interference in commercial tranſaction, muſt command approbation; but they are nowiſe inconſiſtent with the opinion we ſhall endeavour to eſtabliſh, that land, labour and capital are, all three, original ſources of wealth; that each has its diſtinct and ſeparate ſhare, (which it is moſt neceſſary ſhould be defined and underſtood), in the formation of thoſe objects which are deſirable to man, and which have been ſhewn to conſtitute his wealth.

Though theſe three original ſources of wealth, in the various ſtates of exiſtence in which hiſtory diſplays man, contribute to his wealth in very different proportions, yet in every ſtate of ſociety in which he is known to exiſt, each, more or leſs, affords its ſhare.

Conſumption, moſt undoubtedly, muſt always precede production; but, long before man cultivated the earth as a means of procuring

procuring his ſubſiſtence, he muſt have derived his wealth from all of theſe ſources. To appropriate the fruit of a tree or an animal for food, he muſt have, in a certain degree, laboured; and it will be ſhewn, that the firſt ſtick or ſtone he took into his hand to aid and aſſiſt him in procuring thoſe objects, by performing a portion of his labour, fulfilled the ſame duty in which every branch of the capital of a mercantile nation is now engaged.

1. *Of Land, including Mines and Fiſheries, as a Source of National Wealth.*

In the earlieſt ſtages of ſociety, men acquire that portion of wealth they derive from the ſurface of the earth, in the ſame manner as, in every ſtage of ſociety, they attain that part of their wealth which proceeds from the ocean. Their exertions are not made to increaſe the quantity, but to appropriate and adapt for uſe the

the portions of thoſe things nature has formed, for which their wants and their appetites give them a deſire.

In this ſtate of his exiſtence, therefore, man derives a greater proportion of what forms his wealth from land, than in ſubſequent ſtages of ſociety, when the aid of labour and capital are called in, not only to appropriate and render fit for uſe, but to meliorate the quality, and increaſe the quantity of thoſe commodities for which his deſires create a demand.

This, however, is but of ſhort continuance; for nature, whilſt ſhe has implanted in him the ſeeds of an unbounded variety of deſires, has every where ſcattered, with ſo ſparing a hand, the means of ſatisfying them, that the aſſiſtance of labour and capital is early called in to perform the moſt important duty allotted to them through any ſtage of

of ſociety, that of increaſing the quantity of thoſe productions of nature which form the objects of our deſire; and from that moment, the natural produce of the earth gives way to thoſe productions, which the induſtry of man, by improvement in cultivation, procures in augmented quantity and ſuperior quality.

In treating of the increaſe of wealth, therefore, we ſhall again be called upon to conſider this ſubject. At preſent it is only neceſſary to obſerve, that, with the ſingle exception of the œconomical ſyſtem long prevalent in France, every thing uſeful to man, produced by land, whether ſpontaneouſly or extracted by art, has been deemed, under all ſyſtems of political œconomy, to add to the wealth of a country.

It was, indeed, the principal tenet of the œconomiſts, that the earth is the ſole ſource of riches, which are multiplied by agriculture;

culture *; but, by a ſtrange mode of reaſoning, they exclude that part of the produce of the earth which is reſerved for ſeed, and for furniſhing the nouriſhment of the cultivator, from forming any portion of national wealth †. This part of the produce

* *Que le Souverain et la Nation ne perdent jamais de vue, que la terre eſt l'unique ſource des richeſſes, et que c'eſt l'agriculture que les multiplie.* "Let the Sovereign and the Nation con-" ſtantly keep in view, that the earth is the ſole ſource of " riches; and that agriculture is what multiplies them." *Maxime économique d'un royaume agricole. Phyſiocratie*, p. 107.

† *Il y en a environ la moitié qui ſe conſomme immédiatement et en nature chez les cultivateurs. On ne peut donc imputer à cette moitié, qui n'eſt pas commercable, ni l'augmentation des prix, ni l'augmentation des dépenſes cauſée par le renchériſſement. Ainſi elle ne doit pas entrer dans le calcul du changement de prix dont il s'agit ici, puis qu'elle n'entre pas dans le commerce, et que la conſommation qui en eſt faite conſtamment chez les cultivateurs, n'augmente ni ne diminue, dans les changemens du prix, les frais d'exploitation de la culture.* "About one-half (of what is produ-" ced) is conſumed immediately, in the nouriſhment " of the cultivators. To that half, then, which is not the " ſubject of traffic, cannot be imputed the augmentation " either of the value, or of the expenditure, occaſioned by " the riſe of price. Accordingly, it ought not to enter " into

produce was by them deemed neceſſary to ſecure the production of future wealth, and, to uſe their own language, they regard it not as wealth, but as a machine that muſt be carefully preſerved, for the continual reproduction of wealth *.

So thoroughly do this ſect of Philoſophers attach their idea of public wealth to what conſtitutes the maſs of individual riches, that it is another of their maxims to conſider

" into the calculation of the change of value, which is " the thing at preſent in queſtion; ſince it is not the ſub- " ject of commerce, and ſince the conſumption of it, which " conſtantly takes place among the cultivators, neither " augments nor diminiſhes, by alteration of price, the ex- " pence of improvement and cultivation." *Phyſiocratie*, p. 188.

* *Les avances de l'agriculture d'un royaume, doivent être enviſagées comme un immeuble, qu'il faut conſerver précieuſement pour la production de l'impôt, du revenue, et de la ſubſiſtance de toutes les claſſes de citoyens.* " The advances made in the cultivation " of a kingdom ought to be conſidered as an invariable " quantity, which muſt be carefully preſerved for the pro- " duction of the impoſts, of the revenue, and of the ſub- " ſiſtence of every claſs of citizens." *Phyſiocratie*, p. 109.

conſider the cheapneſs of the production of the earth as of no advantage to the people *. For they deem the revenue that is the wealth of the country, to be great in proportion as the value of the productions of the earth are high. Abundance, and high price, are, according to them, equally neceſſary to form wealth †;—two things Monſieur QUESNAY, had he underſtood the nature of value, would have known to be no more capable of co-exiſtence than heat and cold.

It is, however, this idea which appears to make them exclude that part of the produce

* *Le bon marché des denrées n'eſt pas avantageux au petit peuple.* "The cheapneſs of commodities is not advantageous to the "common people." *Phyſiocratie*, p. 162.

† *Telle eſt la valeur vénale, tel eſt le revenu. Abondance et non valeur n'eſt pas richeſſe. Diſette et cherté eſt miſere. Abondance et cherté eſt opulence.* "The revenue is always great in pro- "portion as the exchangeable value of commodities is "high. Abundance and cheapneſs do not conſtitute riches. "Scarcity and dearth are miſery. Abundance and dear- "neſs are opulence." *Phyſiocratie*, p. 116.

produce of the earth which is applicable to ſeed and the nouriſhment of the cultivator, from forming a part of national wealth. They conſidered it as an invariable quantity, which can never be brought into the market; which could not of courſe influence price; which they did not, therefore, deem a portion of wealth or riches,—two things they viewed invariably as one and the ſame.

Even on their own principles, they are obviouſly ſo far wrong, as they exclude what is appropriated to the nouriſhment of the cultivator; for it is the ſeed alone that can by poſſibility be deemed an invariable quantity, as, undoubtedly in practice, ſcarcity, which always increaſes price, forms an encouragement to the cultivator to ſell; and thus diminiſhes what is appropriated for his ſuſtenance, in the ſame manner as it does that of any other labourer.

It muſt be remarked, too, that it is an undeniable

undeniable inference from this doctrine, (which excludes the part of the produce applicable to ſeed and the ſuſtenance of the cultivator from forming a part of national wealth), that the more you can reduce the maintenance of the huſbandman,—as the more will remain to be carried to the market, and of courſe to the account of net produce, ſo the greater muſt be the national wealth. Thus the wealth of the nation is made to depend upon depriving the moſt important claſs of its inhabitants of a part of the objects of their deſire.

But it does not ſeem to require much argument to ſet aſide this opinion. If the diſtinction betwixt public wealth and private riches is founded in truth; if wealth has been rightly defined to conſiſt of all thoſe objects for which men poſſeſs a deſire, it is impoſſible to diſcover why that which is applicable to the ſatisfaction of the deſires of the huſbandman, ſhould not as truly form a portion of our wealth, as

that which is ſubſervient to the deſires of any other labourer. Neither can we, with any propriety, exclude that part of the annual produce reſerved for ſeed, from forming a portion of wealth, merely becauſe it is not employed in ſatisfying our immediate deſires, but is devoted to the formation of that which is to adminiſter to them at a more remote period.

It is on theſe grounds that the whole of the fruits of the earth, as well as the produce of mines and fiſheries, muſt be conſidered as component parts of public wealth.

2. *Of Labour, as a Source of Wealth.*

THAT ſpecies of labour which has been deſcribed as employed in meliorating the quality, and increaſing the quantity, of the natural produce of the ſurface of the earth, has univerſally been conſidered and acknowledged as a ſource of wealth. That it

is

is pre-eminently ſo, cannot be doubted by any one who reflects on the quantity of food and materials for clothing, that art enables man to extract from a very ſmall part of the ſurface of the earth; and compares it with what nature any where affords. What a contraſt betwixt the ſituation of the ſolitary ſavage, who, with difficulty, extracts his maintenance from a diſtrict around him; and that of a peaſant in a cultivated country, who draws from a few fields wherewithal to maintain many of his own ſpecies! The inhabitant of the country of the Iroquois, or of any other American nation, who lives on the produce of the chace, can hardly be ſuppoſed to collect his food from a range of leſs than fifty acres; whilſt, in China, the rice field is ſuppoſed to yield three crops a-year, each returning one hundred fold, producing on fifty acres nouriſhment ſufficient for five hundred peaſants.

In the vicinity of London, we know that the value of the produce of an acre under

garden culture, may be moderately calculated at L. 200 *. Thus the produce of fifty acres, hardly ſufficient in a ſtate of nature to furniſh the precarious ſuſtenance of a poor American, becomes competent to enable an inhabitant of this country to enjoy all the refinements of European luxury.

Notwithſtanding the ſuperiority which the labour of the huſbandman enjoys over that of all other labourers in the production

* The following eſtimate was made by a gardener who occupied nine acres ſituated about two miles farther from market, as his opinion of the produce of the ſoil at the Neat-houſes before mentioned, to wit,

The radiſhes, - - -	L. 10
Cauliflowers, frequently L. 70 or more, but ſay	60
Cabbages, - - - -	30
Celery, the firſt crop not unfrequently upwards of L. 60, but ſay - - -	50
Endive, - - - -	30
Celery, ſecond crop, - - -	40
	L. 220

This he ſtated as an eſtimate rather under the mark. MIDDLETON's Report on the County of Middleſex, p. 264. See alſo p. 267.

duction of national wealth, it does not appear that every other ſpecies of labour can with juſtice or propriety be conſidered as totally unproductive. This opinion, however, is expreſsly maintained by the œconomiſts, who hold that even the labour of the artificer and the manufacturer is totally unproductive. Theſe philoſophers uniformly regard a thing as wealth in proportion to its value *. Arguing on this principle, they aſſume (what in none of their writings they prove), that the value added by the manufacturer to the raw material, during his day's work, is exactly equal to the value of the food, clothing, &c. he has conſumed; and then they infer (what, if they are right in this aſſumption, is undoubted), that during the courſe of the day

* *Poſons maintenant en principe, que la valeur vénale eſt la baſe de toute richeſſe, que ſon accroiſſement eſt accroiſſement de richeſſe.* "Let us lay down as a principle, that value in exchange "is the baſis of wealth, and that its increaſe conſtitutes an "increaſe of wealth." *Philoſophie Rurale, ou Economie Générale et Politique de l'Agriculture.* See alſo note, p. 127.

he can have added nothing of value to the ſtock of the nation.

The ingenious men, who hold theſe opinions, diſtinguiſhed for a cloſe, ſubtile and nervous manner of maintaining them, have not, with all their ingenuity, done ſo much to ſupport this doctrine, as the Author of the Wealth of Nations, by the manner he has attempted to refute it.

" The capital error of this ſyſtem," ſays Dr SMITH, " ſeems to lie in its repreſenting " the claſs of artificers, manufacturers and " merchants, as altogether barren and un- " productive. The following obſervations " may ſerve to ſhew the impropriety of " this repreſentation.

" 1. This claſs, it is acknowledged, re- " produces annually the value of its own " annual conſumption, and continues, at " leaſt the exiſtence of the ſtock or capital " which maintains and employs it. But upon " this

"this account alone the denomination of "barren or unproductive ſhould ſeem to be "very improperly applied to it. We ſhould "not call a marriage barren or unproduc- "tive, though it produced only *a ſon and a "daughter, to replace the father and mother;* "and though it did not increaſe the num- "ber of the human ſpecies, but only conti- "nued it as it was before. Farmers and "country labourers, indeed, over and above "the ſtock which maintains and employs "them, reproduce annually a neat produce, "a free rent to the landlord. As a mar- "riage which affords three children, is cer- "tainly more productive than one which "affords only two; ſo the labour of farm- "ers and country labourers is certainly "more productive than that of merchants, "artificers and manufacturers. The ſupe- "rior produce of the one claſs, however, "does not render the other barren or un- "productive*." Now this compariſon real- ly appears, inſtead of a refutation, to be a

* Wealth of Nations, vol. II. p. 272. 4to edit.

confirmation of the doctrine of the œconomiſts; and even to carry along with it an avowal of the opinion, that manufacturing labour is not productive of an increaſe of wealth.

A marriage which only produces two, cannot increaſe the numbers of the human ſpecies; for theſe two (as is obſerved) can only ſupply the places of the father and mother. The inference, therefore, appears to be, that as ſuch a marriage can only continue, and nowiſe contribute to the increaſe of, the human ſpecies, ſo manufacturing labour, as the œconomiſts ſtrictly hold, can only preſerve the wealth of the nation undiminiſhed, notwithſtanding the conſumption of the manufacturer; but can nowiſe contribute to its increaſe.

" 2. It ſeems, upon this account, alto-
" gether improper to conſider artificers,
" manufacturers and merchants, in the
" ſame light as menial ſervants. The la-
" bour

"bour of menial ſervants does not conti-
"nue the exiſtence of the fund which
"maintains and employs them. Their
"maintenance and employment is altoge-
"ther at the expence of their maſters, and
"the work which they perform is not of a
"nature to repay that expence. That work
"conſiſts in ſervices which periſh general-
"ly in the very inſtant of their perform-
"ance, and does not fix or realize itſelf in
"any vendible commodity which can re-
"place the value of their wages and main-
"tenance. The labour, on the contra-
"ry, of artificers, manufacturers and mer-
"chants, naturally does fix and realize it-
"ſelf in ſome ſuch vendible commodity.
"It is upon this account, that in the chap-
"ter in which I treat of productive and
"unproductive labour, I have claſſed arti-
"ficers, manufacturers and merchants, a-
"mong the productive labourers, and me-
"nial ſervants among the barren or un-
"productive *."

Here,

* Wealth of Nations, vol. II. p. 273. 4to edit.

Here, without ſtating any further objection to the opinion that is meant to be refuted, the outline is given of that diſtinction betwixt productive and unproductive labour, which is maintained by the Author; the merits of which muſt be conſidered in the proper place.

" 3. It ſeems upon every ſuppoſition im-
" proper to ſay, that the labour of artifi-
" cers, manufacturers and merchants, does
" not increaſe the real revenue of the ſo-
" ciety. Though we ſhould ſuppoſe, for
" example, as it ſeems to be ſuppoſed in
" this ſyſtem, that the value of the daily,
" monthly and yearly conſumption of this
" claſs, was exactly equal to that of its
" daily, monthly and yearly production;
" yet it would not from thence follow, that
" its labour added nothing to the real re-
" venue, to the real value of the annual
" produce of the land and labour of the ſo-
" ciety. An artificer, for example, who,
" in the firſt ſix months after harveſt, exe-
" cutes L. 10 worth of work, though he
" ſhould,

" ſhould, in the ſame time, conſume L. 10
" worth of corn and other neceſſaries, yet
" really adds the value of L. 10 to the an-
" nual produce of the land and labour of
" the ſociety. While he has been conſuming
" a half-yearly revenue of L. 10 worth
" of corn and other neceſſaries, he has pro-
" duced an equal value of work, capable of
" purchaſing either to himſelf, or to ſome
" other perſon an equal half-yearly reve-
" nue. The value, therefore, of what has
" been conſumed and produced during theſe
" ſix months, is equal, not to L. 10, but to
" L. 20. It is poſſible, indeed, that no more
" than L. 10 worth of this value may ever
" have exiſted at any one moment of time.
" But if the L. 10 worth of corn, and other
" neceſſaries which were conſumed by the
" artificer, had been conſumed by a ſoldier
" or by a menial ſervant, the value of that
" part of the annual produce which exiſted
" at the end of the ſix months, would have
" been L. 10 leſs than it actually is in con-
" ſequence of the labour of the artificer.

" Though

" Though the value of what the artificer " produces, therefore, ſhould not, at any " one moment of time, be ſuppoſed greater " than the value he conſumes, yet at every " moment of time, the actually exiſting va- " lue of goods in the market, is, in conſe- " quence of what he produces, greater than " it otherwiſe would be *."

The wealth of the nation is undoubtedly greater, at every moment of time, than it would be if the manufacturer was ſuppoſed to conſume, without working, or adding any value to the raw material; but on the hypotheſis here ſtated, that the workman, in the firſt ſix months after harveſt, ſhould execute L. 10 worth of work, and that in the ſame time he ſhould conſume L. 10 worth of corn and other neceſſaries, as he has ſubtracted from the national capital a ſum equal to that which he has added to it, if wealth is regarded as dependent on exchangeable value, it is difficult to perceive how he ſhould be deemed to have increaſed

* Wealth of Nations, ubi ſupra.

ſed the national ſtock by ſuch an exiſtence.

Triumphantly, however, as this leading tenet of the œconomiſts ſeems to have withſtood this attack, it is impoſſible to ſubſcribe to the opinion, that the labour of the manufacturer and the artiſt are totally unproductive of wealth.

There are two modes of viewing this ſubject. Wealth may be regarded as conſtituted by price or exchangeable value; or it may be viewed in the real light in which it ought to be conſidered, as conſiſting in the abundance of the objects of man's deſire.

If we regard wealth to be conſtituted by exchangeable value, and agree in the maxim, that value is the baſis of all riches, and that an increaſe of value is an increaſe of riches, there ſeems to be an end of the queſtion; for, in that view of the ſubject,

it

it is as impoſſible to contend, that the labour of the manufacturer or artiſt does not add ſomething to the wealth of the nation, as it is impoſſible to believe that a painter, whoſe works have ſold for thouſands of pounds, and the value of which has been known to have increaſed for a century after his death, added nothing more to the value of the canvas than the value of his ſuſtenance, and an equivalent for the expence of his education.

If, on the other hand, wealth is conſidered as it ought to be, as conſiſting of the greateſt poſſible abundance of the objects of men's deſires, this queſtion requires a little further inveſtigation.

It may be ſaid, that abundance, in proportion to demand, according to this opinion, conſtitutes wealth; but that abundance, in proportion to demand, muſt always diminiſh price. It may even be ſaid, that it has been explained, how, if puſhed

to

to an extreme, it muſt extinguiſh value; that as long, however, as exchangeable value exiſts unextinguiſhed by public opulence, the loweſt poſſible price of all the productions of art muſt be the ſuſtenance of the artiſt; for without receiving this he could not exiſt: and it may be alleged, that, on this principle, it therefore ſeems, that the wages which denote the greateſt degree of public opulence in works of art, are thoſe which equal in value the ſubſiſtence of the artiſt.

The value really added by the manufacturer to the raw material, in the preſent ſtate of things, is, in this view of the ſubject, conceived to proceed from the ſcarcity of manufacturing ſkill. Like the price of monopoly, it is the higheſt that can be got. The talent of the artiſt being rare, from the ſmall number of them that arrive at perfection in the arts, is ſuppoſed to impoſe a tax upon the public, which would not exiſt if the nation had a greater number of artiſts; that is, if it poſſeſſed greater opulence

lence in them: and it is undoubtedly true, that it is poſſible to imagine talents ſo multiplied, and the number of artiſts ſo abundant, as to reduce the wages of painters and ſculptors to be no more than what is equivalent to their ſuſtenance; and that, in this ſtate, a nation would enjoy the greateſt poſſible degree of opulence in the productions of art, conſiſtent with the exiſtence of exchangeable value.

But this is, unfortunately, a ſituation which can exiſt only in imagination. The monopoly ariſing from ſkill, talent, and genius, is not an evil proceeding from the abſurd regulations of man; it is ſtamped on the human ſpecies by the hand of nature, and muſt exiſt as long as genius adorns the world.

There is great difference in the value of land. One field poſſeſſes much more intrinſic fertility than another; and it is true, that if a happy convulſion of nature, was at once to render the whole face of the earth equally fertile, we ſhould ceaſe to remark on the fertility

fertility of that favourite ſpot, on the ſame principle that we ſhould ceaſe to value the labour of the manufacturer and the artiſt, if he was equalled in ſkill, taſte and dexterity, by every common labourer. But as long as the world remains conſtituted as it is, we muſt continue to admire the fertility of the field, and to conſider the labour of the manufacturer and the artiſt as productive.

It muſt alſo be remarked that, even if the nature of things were ſo far altered that the works of the manufacturer and artiſt ſhould become ſo abundant in proportion to the demand for them as univerſally to reduce the wages of manufacturers and artiſts to what in value was merely equivalent to their ſuſtenance, (if wealth truly conſiſts in the abundance of the objects of man's deſire), we ſhould be obliged, as long as the love of conveniency and taſte is incident to mankind, to conſider the manufacturer and artiſt as productive labourers,

on the ſame principle that we have regarded water as an article of public wealth.

In truth, it is only from the circumſtance of confounding wealth and riches, and conſidering wealth, in the courſe of their reaſoning, at one time as depending on exchangeable value, and at another as conſtituted by the abundance of the objects of man's deſire, that this doctrine of the œconomiſts can for a moment be maintained. For ſuppoſing that an artiſt or manufacturer added only the value of his maintenance to the raw material, if wealth is to be underſtood in its true ſenſe, his labour, even in this caſe, muſt be conſidered as productive of wealth. The nouriſhment on which he ſubſiſts is wealth, becauſe it is an object of man's deſire. In ſatisfying the deſire of the labourer, it has fulfilled the duty it is deſtined to perform; whilſt, on the other hand, by the form given to the raw material by his induſtry, a diſtinct portion of wealth remains ready, to ſatisfy the deſire of ſome other

other individual: ſo that, admitting that at no one period there exiſted, in conſequence of his induſtry, an additional value, ſtill it is evident that, in conſequence of the induſtry of the manufacturer, there is a portion of deſire ſatisfied, and of courſe a portion of wealth created, which would not otherwiſe have exiſted.

Theſe philoſophers hold, (and it is a neceſſary inference from their doctrine), that it is immaterial to a country whether a web of cloth is exported in exchange for foreign commodities, or whether the ſame commodities are acquired by exporting the wool of which the cloth is made, and the food on which the weaver has exiſted. Nay, they even conceive, that the exportation of the raw materials is the moſt advantageous *. There is obviouſly, however, a material

* *Si l'on conſidere ſimplement le commerce d'exportation dans un royaume agricole, qui peut devenir d'un grand commerce exterieur des denrées du cru, lequel doit être favoriſé preferablement à tout autre.*" " If one conſiders merely the commerce of " exportation

rial difference; for, in the former caſe, the country acquires as much of foreign commodity as in the latter; and, beſides that, one of its inhabitants is maintained: that is, he has enjoyed his ſhare of national wealth, by obtaining the objects of his deſire.

By the Author of the Wealth of Nations, the manufacturer and the artiſt are indeed admitted to be productive labourers; and, in this reſpect the diſtinction he makes betwixt productive and unproductive labour, is leſs repugnant to the prevalent opinions of men; but a little examination will ſhew that it is not more conſonant to reaſon.

He conſiders as unproductive labourers all thoſe whoſe "ſervices periſh in the very "inſtant of their performance, and does "not fix or realize itſelf in any vendible "commodity,

"exportation in an agricultural kingdom, that can ac-"quire a great external commerce, by diſpoſing of its "raw materials, which ought to be favoured in preference "of every other ſpecies of commerce." *Philoſophie Rurale*, p. 371.

"commodity, which can replace the value "of their wages and maintenance *." Productive labour, on the contrary, he deſcribes as "fixing and realizing itſelf in ſome par- "ticular ſubject and vendible commodity. "It is as it were a certain quantity of la- "bour ſtocked and ſtored up, to be em- "ployed, if neceſſary, upon ſome other oc- "caſion. That ſubject, or, which is the "ſame thing, the price of that ſubject, can "afterwards, if neceſſary, put into motion "a quantity of labour equal to that which "had originally produced it †."

Unfortunately, however, a little conſideration makes this diſtinction appear nowiſe founded on the nature of labour, but merely dependant upon the uſe that is made of its produce. Thus the ſame labour may appear either productive or unproductive,

* Wealth of Nations, vol. II. p. 273. 4to edit.

† Ibid. vol. I. p. 401.

according to the uſe ſubſequently made of the commodity on which it was beſtowed. If my cook, for example, makes a tart which I immediately conſume, he is conſidered as an unproductive labourer; and the act of making the tart as unproductive labour; becauſe *that ſervice has periſhed at the moment of its performance;* but if the ſame labour is performed in a paſtry cook's ſhop, it becomes productive labour, becauſe *it is a quantity of labour ſtocked and ſtored up, to be employed, if neceſſary, upon ſome other occaſion; the price of it, if neceſſary, can afterwards put into motion a quantity of labour equal to that which had originally produced it.* Again: A piece of cloth burnt immediately after it was formed, would inevitably beſtow, according to this definition, the character of unproductive on the labour of the cloth-manufacturer. Thus a tart being placed in a cook's ſhop, would give to the labour of the cook the character of productive, and the cloth being put

in

in the fire, beſtows that of unproductive on the labour of the manufacturer.

This extraordinary diſtinction, founded on the mere durability of the ſervices performed, claſſes as unproductive labourers ſome of thoſe who are occupied in rendering the moſt important ſervices to ſociety. Thus the Sovereign, and all who are employed in the maintenance of the religion, the juſtice, or the defence of the ſtate, as well as thoſe whoſe ſkill and care are occupied in ſuperintending the health and education of the ſociety, are alike deemed unproductive labourers *.

If exchangeable value is to be conſidered as the baſis of wealth,—it is needleſs to uſe much argument to explain the errors of this doctrine. The practice of mankind, in eſtimating theſe ſervices, if we

* Wealth of Nations, vol. i. p. 401. 4to edit.

can judge by what is paid for them, bears ſufficient teſtimony of its inaccuracy.

If, on the other hand, wealth is regarded in its true light, as conſiſting of the abundance of the objects of man's deſire, it is impoſſible to diſcern why that ſhould not be conſidered as wealth which tends to the ſatisfaction of man's immediate deſires, as well as that which is ſtocked and ſtored up for the ſatisfaction of his future deſires; and, in truth, there is no one who has criticiſed the diſtinction, which reſts the value of commodities on their durability, with greater acrimony than the perſon who wiſhes to make the diſtinction betwixt productive and unproductive labour depend merely upon the duration of its produce. "We do not (ſays he) reckon that trade diſ-
"advantageous, which conſiſts in the ex-
"change of the hardware of England for the
"wines of France, and yet hardware is a very
"durable commodity, and was it not for
"this continual exportation, might, too, be
"accumulated

"accumulated for ages together, to the in-
"credible augmentation of the pots and
"pans of the country *." Again: It is a loſing trade, it is ſaid, "which a workman
"carries on with the ale-houſe; and the
"trade which a manufacturing nation
"would naturally carry on with a wine
"country, may be conſidered as a trade of
"the ſame nature. I anſwer, That the
"trade with the ale-houſe is not neceſſari-
"ly a loſing trade †."

It appears, therefore, impoſſible to contend, that the labour of the manufacturer and artiſt, or even the labour of that claſs whoſe ſervices periſh at the moment, are not, as well as that of the huſbandman, to be conſidered as productive of wealth. The comparative degree of utility of different deſcriptions of labour in producing wealth, is a ſubject which will be more properly diſcuſſed in treating of the means of increaſing wealth.

3. *Of*

* Wealth of Nations, vol. II. p. 15. 4to edit.
† Ibid. p. 89.

3. *Of Capital, as a Source of Wealth.*

In treating of land as a ſource of wealth, it was unneceſſary to enter into any diſcuſſion of the means by which it contributes towards the public ſtock. Theſe it evidently derives from the produce of Mines and Fiſheries, and from the materials for food and clothing that abound on the face of the earth. This diſcuſſion was equally unneceſſary in treating of labour as a ſource of wealth. It is clear, that the labour of the huſbandman contributes to the formation of wealth, by means of the increaſed fertility he creates; and though it has been diſputed whether the manufacturer and menial ſervant produce wealth, by adapting and preparing the raw material for our convenient conſumption, yet it is ſelf-evident, that if they increaſe the wealth of the nation, it is by giving form to the raw material, and preparing it for uſe.

By

By what means Capital or Stock contributes towards wealth is not ſo apparent. What is the nature of the profit of ſtock? and how does it originate? are queſtions the anſwers to which do not immediately ſuggeſt themſelves. They are, indeed, queſtions that have ſeldom been diſcuſſed by thoſe who have treated on political œconomy; and, important as they are, they ſeem nowhere to have received a ſatisfactory ſolution.

The Author of the Wealth of Nations appears to conſider the profit of ſtock, as paid out of, and therefore derived from, the value added by the workman to the raw material. He ſtates, that—"As ſoon "as ſtock has accumulated in the hands of "particular perſons, ſome of them will na- "turally employ it in ſetting to work in- "duſtrious people, whom they will ſupply "with materials and ſubſiſtence, in order "to make a profit by the ſale of their "work, or by what their labour adds to "the

" the value of the materials. In exchan-
" ging the complete manufacture, either
" for money, for labour, or for other goods,
" over and above what may be ſufficient
" to pay the price of the materials, and
" the wages of the workmen, ſomething
" muſt be given for the profits of the un-
" dertaker of the work who hazards his
" ſtock in this adventure. The value
" which the workmen add to the mate-
" rials, therefore, reſolves itſelf, in this
" caſe, into two parts, of which the one
" pays their wages, the other the profits of
" their employer upon the whole ſtock of
" materials and wages which he advan-
" ced *." And again, " The labour of a
" manufacturer adds generally to the value
" of the materials which he works upon,
" that of his own maintenance and of his
" maſter's profit †."

Above

* Wealth of Nations, vol. i. p. 57. 4to edit.

† Ibid. p. 400. The following paſſage alſo clearly ſhows that Dr SMITH thought the profit of ſtock was a value added by

Above a century ago, Mr LOCKE ſtated pretty nearly the ſame opinion. "Land" (ſays he) "produces naturally ſomething "new and profitable, and of value to man-"kind; but money is a barren thing and "produces nothing; but by compact trans-"fers that profit that was the reward of "one man's labour into another man's "pocket*."

If this, however, was a juſt and accurate idea of the profit of capital, it would follow

by the labourer: "The ſtock which is lent at intereſt is "always conſidered as a capital by the lender. He ex-"pects that in due time it is to be reſtored to him, and "that in the mean time the borrower is to pay him a "certain annual rent for the uſe of it. The borrower may "uſe it either as a capital, or as a ſtock reſerved for "immediate conſumption. If he uſes it as a capital, he "employs it in the maintenance of productive labourers, "who reproduce the value with a profit." Wealth of Nations, vol. i. p. 426.

* Some Conſiderations of the Conſequence of lowering Intereſt, and raiſing the Value of Money. Edition 1692, p. 53.

low that the profit of ſtock muſt be a derivative, and not an original ſource of revenue; and capital could not therefore be conſidered as a ſource of wealth, its profit being only a transfer from the pocket of the labourer into that of the proprietor of ſtock.

The ingenious Author of the Treatiſe on the Formation and Diſtribution of Riches, ſeems to think, that a proprietor of ſtock is entitled to a compenſation for what his capital would have produced him, had he employed it in the acquiſition of land *. But this in practice is known not even to furniſh a rule for the quantum of profit, and certainly gives no idea, how or from whence it originates.

Capital is ſo variouſly employed, that in order to convey a juſt and diſtinct idea of the mode in which, under all circumſtances,

* *Reflection ſur la Formation et Diſtribution des Richeſſes.* Par M. TURGOT. § 60.

ces, it becomes entitled to a profit, it is neceſſary to enumerate the different uſes to which it may be devoted.

1. It may be employed by the manufacturer in building and obtaining machinery.

2. It may be employed in procuring and conveying to the manufacture the raw materials, in advance of wages, or conveying the manufactured commodity to the market, and furniſhing it to the conſumer; that is, in the home-trade.

3. It may be employed either in the importation of the commodities of another country, or the exportation of home-manufactures; that is, in foreign trade.

4. It may be employed in Agriculture.

5. There is a part of the capital of every country employed merely for the purpoſe

poſe of circulation; a greater or a ſmaller proportion of which is neceſſary for conducting the tranſactions of every member of the community.

In enumerating the various modes in which capital may be employed, with a view to conſider how it becomes entitled to a profit, it is unneceſſary to ſtate that of lending it on landed, and that of lending it on perſonal ſecurity. If lent to the proprietor of land, the owner of the capital becomes, under certain conditions, a partner and joint proprietor in the land. If lent to a perſon who has no land, the proprietor of the capital, under ſimilar conditions, becomes a ſharer either in the profits of profeſſional labour, or of ſtock, according as the borrower derives his revenue from his labour or his capital. Thus the profit which capital lent out acquires, is a transfer from one to another of what already exiſts, and can not, therefore, properly, be ſaid to be produced.

It

It appears, then, that every means of employing capital, ſo as to produce a profit, is deſcribed under ſome one of theſe five modes enumerated, by which capital becomes entitled to a profit. On examination, we ſhall find, that even when ſo employed, part of its profit, in ſome caſes, may be more properly ſaid to be acquired than produced.

Now, it is apprehended, that in every inſtance where capital is ſo employed as to produce a profit, it uniformly ariſes, either *—from its ſupplanting a portion of labour, which would otherwiſe be performed by the hand of man ;* or—*from its performing a portion of labour, which is beyond the reach of the perſonal exertion of man to accompliſh.*

1. *Of the Method in which that Portion of Capital produces its Profit, which is employed in building and obtaining Machinery.*

THERE is no part of the capital of a country, that more obviouſly derives its profit from ſupplanting a portion of labour that would otherwiſe be performed by man, or from performing a portion which is beyond the reach of his perſonal exertion, than that which is veſted in machinery. That man uſes capital in the form of machinery to ſupplant labour, is one of the peculiarities and diſtinguiſhing features of his character. If it was not for this ſingular faculty, his efforts to provide for his wants, like thoſe of the other animals, would be bounded by what his hands, his teeth, and his feet, could enable him to accompliſh.

That we may perceive how the profit of capital thus employed ariſes from ſupplanting

ing labour, let us conſider the effect of capital veſted in machinery, in that firſt employment of man, the cultivation of the ground. The moment he places a portion of capital in the acquiſition of a ſpade, one man muſt obviouſly, in the courſe of a day, be able, with his ſpade, to prepare as much land for receiving ſeed, as fifty could, by the uſe of their nails. Thus, this portion of capital ſupplants the neceſſity of the labour of forty-nine men. In the progreſs of things, a portion of the national capital comes to be inveſted in a plough; and one man, with his plough, will prepare as much land for the reception of ſeed as perhaps ſix could with their ſpades. Thus, that portion of capital inveſted in a plough, ſupplants the neceſſity either of the labour of five diggers, or of two hundred and ninety-nine men reduced by abſolute want of capital to uſe their nails.

Again: if we conſider the employment of capital in the formation of machinery,

in one of the operations the moſt familiar, —that of making ſtockings; the wires employed in knitting, the firſt means of ſtocking-making, affords a ſimple inſtance of a portion of capital employed in executing labour, beyond the reach of the power of man to accompliſh; as, without ſuch aſſiſtance, we could hardly ſuppoſe him capable of making a pair of ſtockings. But, in the further progreſs of this art, a part of the capital of the country becomes veſted in a ſtocking-loom *; and the profit of the ſtock ſo employed, is derived from the ſtocking-loom's ſupplanting the labour of a number of knitters. That this is the ſource of the profit ariſing from the machine, appears clearly from the circumſtance,

* It is contended in France, that the firſt ſtocking-loom was introduced by JEAN HINDRET, in the year 1656, in his manufactory at the Chatteau de Madrid Bois de Boulogne. The Frame-work Knitters Company, attributing the invention to WILLIAM LEE of St John's College, Cambridge, have adopted, as one of the ſupporters to their arms, a Maſter of Arts in his gown and cap. See ANDERSON's Hiſtory of Commerce, and *Encyclopedie*, Article *Bas*.

circumſtance, that the wages of thoſe knitters whoſe labour it ſupplants, form, on the one hand, the meaſure of the utmoſt poſſible extent the proprietor of the machine can charge; and, on the other, the ground on which mankind judge of the utility of the invention.

Suppoſing, for example, one man with a loom ſhould be capable of making three pair of ſtockings a-day, and that it ſhould require ſix knitters to perform the ſame work with equal elegance, in the ſame time; it is obvious, that the proprietor of the loom might demand, for making his three pair of ſtockings, the wages of five knitters, and that he would receive them; becauſe the conſumer, by dealing with him rather than the knitters, would ſave in the purchaſe of the ſtockings the wages of one knitter. But if, on the contrary, a ſtocking-loom was only capable of making one pair of ſtockings in three days, as, from the hypotheſis that three pair of ſtockings

could be finiſhed by ſix knitters in one day, it follows, that one knitter would make a pair of ſtockings in two days; the proprietor of the loom could not diſpoſe of his ſtockings; becauſe he would be obliged to charge one day's wages more than was paid to the knitters; and the machine, though it executed the ſtockings in the greateſt perfection, would be ſet aſide as uſeleſs, merely becauſe incapable of ſupplanting any portion of labour.

The ſmall profit which the proprietors of machinery generally acquire, when compared with the wages of labour, which the machine ſupplants, may perhaps create a ſuſpicion of the rectitude of this opinion. Some fire-engines, for inſtance, draw more water from a coal-pit in one day, than could be conveyed on the ſhoulders of three hundred men, even aſſiſted by the machinery of buckets; and a fire-engine undoubtedly performs its labour at a much ſmaller expence than the amount of

of the wages of thoſe whoſe labour it thus ſupplants. This is, in truth, the caſe with all machinery. All machines muſt execute the labour, that was antecedently performed, at a cheaper rate than it could be done by the hand of man; otherwiſe they would inevitably ſhare the fate of the ſuppoſed ſtocking-loom which could manufacture only one pair of ſtockings in three days, and be laid aſide as uſeleſs.

The actual profit drawn for the uſe of any machine, when univerſally adopted, muſt be regulated on the ſame principle with the hire of a field, or the payment of an artiſt, or the price of any other commodity; that is, by the proportion betwixt the quantity of machines that can be eaſily procured, and the demand for them. But that the profit of ſtock employed in machinery is paid out of a fund that would otherwiſe be deſtined to pay the wages of the labour it ſupplants, is evident; becauſe, if the proprietors of all the capital ſo em-

ployed, would combine to charge a greater ſum for the uſe of the machines than the wages of the labour ſupplanted, they would be inſtantly ſet aſide, and the ſame portion of the revenue of the nation again employed in the payment of wages, that was ſo directed before the machines were invented.

The caſe of a patent, or excluſive privilege of the uſe of a machine, uſually granted, as the law of England now permits, for fourteen years, to reward an ingenious invention, will tend further to illuſtrate this.

If ſuch a privilege is given for the invention of a machine, which performs, by the labour of one man, a quantity of work that uſed to take the labour of four; as the poſſeſſion of the excluſive privilege prevents any competition in doing the work, but what proceeds from the labour of the four workmen, their wages, as long as the patent continues, muſt obviouſly form the meaſure

meaſure of the patentee's charge; that is, to ſecure employment, he has only to charge a little leſs than the wages of the labour which the machine ſupplants. But when the patent expires, other machines of the ſame nature are brought into competition; and then his charge muſt be regulated on the ſame principle as every other, according to the abundance of machines, or, (what is the ſame thing), according to the facility of procuring machines in proportion to the demand for them. This alteration, however, in the rule of charging, does not prevent the profit of the machine being received out of a fund of the ſame nature of that which it was paid from before the expiration of the patent; to wit, from a part of the revenue of the country, deſtined, antecedent to the invention of the machine, to pay the wages of the labour it ſupplants *.

Though,

* The theory of the Author of the Wealth of Nations made him regard the profit of ſtock as derived from the labour of the productive manufacturer; yet there are paſſages in his work that ſtrongly tend to confirm the opinion

Though, in confirmation of this opinion, it is impoſſible to cite the theory of any learned

nion here maintained. For example: "Both in the "coarſe and in the fine woollen manufacture, the ma- "chinery employed was much more imperfect in thoſe "ancient than it is in the preſent times. It has ſince "received three very capital improvements, beſides, "probably, many ſmaller ones, of which it may be "difficult to aſcertain either the number or the import- "ance. The three capital improvements are, firſt, The "exchange of the rock and ſpindle for the ſpinning-wheel, "which, with the ſame quantity of labour, will perform "more than double the quantity of work. Secondly, The uſe "of ſeveral very ingenious machines, which facilitate and "abridge, in a ſtill greater proportion, the winding of "the worſted and woollen yarn, or the proper manage- "ment of the warp and woof, before they are put in- "to the loom; an operation which, previous to the inven- "tion of thoſe machines, muſt have been extremely tedious "and troubleſome. Thirdly, The employment of the "fulling-mill, for thickening the cloth, inſtead of treading "it in water. Neither wind nor water mills of any kind "were known in England ſo early as the beginning of the "ſixteenth century, nor, ſo far as I know, in any other "part of Europe north of the Alps. They had been in- "troduced into Italy ſome time before.

"The conſideration of theſe circumſtances may, per- "haps, in ſome meaſure, explain to us why the real price

"both

learned author who has treated of political œconomy, it has, however, in its favour, what is perhaps fully better; it derives ample teſtimony of its truth from the conduct of the unlettered manufacturers themſelves, as is ſufficiently evinced by the riots that have taken place on the introduction of various pieces of machinery, and particularly at the time the ingenious machines for carding and ſpinning were firſt ſet a-going.

2. *Of*

" both of the coarſe and of the fine manufacture, was ſo " much higher in thoſe ancient than it is in the preſent " times. *It coſt a greater quantity of labour to bring the goods* " *to market.*" Wealth of Nations, vol. 1. p. 310. 4to edit. See alſo p. 306.

2. *Of the Method in which that Portion of Capital produces its Profit, which is employed in procuring and conveying to the Manufacturer the raw Materials, in advance of Wages; or in conveying the manufactured Commodity to the Market, and furniſhing it to the Conſumer;—that is, in the Home Trade.*

If it has been made evident, that the ſhare of the capital of a country veſted in machinery derives its profit from ſupplanting labour, a little conſideration will make it equally clear, that the ſtock employed in procuring and conveying to the manufacturer the raw materials in advance of wages, or in conveying the manufactured commodity to the market, and furniſhing it to the conſumers, derives the profit it produces from the ſame ſource. The term *produces*, is here purpoſely uſed; becauſe it will appear, on analyſing the grounds on which

which the proprietors of this portion of national capital become poſſeſſed of their profit, that they are entitled to acquire a profit, beſides that which their ſtock can be properly ſaid to produce.

That we may poſſeſs a clear view of the manner in which this part of the national capital becomes entitled to its profit, let us ſuppoſe that all at once it was abſtracted from any ſociety, and that each conſumer was obliged to perform himſelf the ſervices he now derives from the capital which is employed in procuring and conveying to the manufacture the raw materials in advance of wages, or in conveying the manufactured commodity to the market, and furniſhing it to the conſumer.

It is impoſſible, conſiſtent with brevity, accurately to trace all the ſteps a conſumer would be obliged to purſue to acquire any commodity, if this part of the capital of a country was abſtracted; and, fortunately,

it

it is only neceſſary to deſcribe it generally, ſo as, by giving a view of the nature of the duty he would perform, to exhibit the method in which capital thus acquires its profit.

As the national capital at preſent ſtands appropriated, if a pair of ſtockings is wanted, they may be had by the conſumer at the ſhop of the hoſier. But if the part of the national capital which is employed in conducting them into that ſituation, was abſtracted from any ſociety, the conſumer would be obliged, in the firſt inſtance, to quit his uſual occupation, and repair to the ſheep-farmers, for the purpoſe of procuring a quantity of wool. Having bought and paid for the wool, he would be then under the neceſſity of conveying it to the carder and ſpinner, whoſe wages he muſt advance. He would next be obliged to go in queſt of the thread, when ſpun, to convey it to be dyed, and to pay the wages of the dyer. Finally, he muſt undertake the taſk of conveying

conveying the thread from the dyer to the ſtocking-maker, of paying him his wages, and of carrying the ſtockings home.

On examining the taſk thus impoſed on the conſumer, it ſeems to conſiſt in two different duties.

1. He is compelled, by abſtracting this part of the national capital, to withdraw from his own ſtock the money with which he pays the wool, that with which he pays the carder and ſpinner, and that with which he pays the dyer, ſome time before he acquires the uſe of the ſtockings, which muſt create a loſs of the profit he might derive by retaining this portion of capital in his own employ.

2. He is obliged to perform the labour requiſite for ſelecting the wool, the labour of carrying it to be carded and ſpun, the labour of conveying it to the dyer, and, laſtly, that of taking it to the ſtocking-maker, and from thence home.

Now,

Now, theſe two duties, that would be thus impoſed on the conſumer, by abſtracting the portion of capital employed in procuring and conveying to the manufacturer the raw materials in advance of wages, or in conveying the manufactured commodity to the market, and furniſhing it to the conſumer, give a juſt view of what is the ſource of the profit of capital ſo employed.

1. It ſeems entitled to a profit, on account of the conſumer's being ſaved the neceſſity of an advance for payment of the wool, &c. But this profit cannot properly be ſaid to be produced by the capital ſo employed; the capital thus engaged in the home trade can only be conſidered as having a right to acquire it; for this profit is evidently produced by the ſtock which is by this means allowed to remain in the hands of the conſumer, and ariſes from the rent of land, if the conſumer ſo employs his capital,—from agriculture,

culture, if he employs it in cultivating the land,—or from ſupplanting ſome other ſpecies of labour, if he employs it as ſtock in trade.

2. It is entitled to a profit, becauſe it exempts the conſumer from the ſecond claſs of duties that have been enumerated. This profit it may be properly ſaid to produce; and this is obviouſly produced by ſupplanting that labour which he would otherwiſe be compelled to perform.

Like the labour ſupplanted by ſtock veſted in a machine, the value of theſe duties combined, forms, on the one hand, the meaſure of the utmoſt poſſible extent the proprietor of this portion of capital can charge; and, on the other, the ground on which mankind muſt judge of the utility of its being ſo employed.

For example: let us ſuppoſe that the conſumer has made of profit from the mo-

ney which the exiſtence of this capital enables him to retain in his own employ, and which he would otherwiſe have been obliged to advance for the purchaſe of wool, &c. long before getting his ſtockings into his poſſeſſion, the ſum of ſixpence; and let us further ſuppoſe, that the conſumer values the labour it ſaves him, at five ſhillings: the utmoſt poſſible charge the proprietor of the capital could make, over and above the payment of the wool, and wages of the ſpinner, dyer, and weaver, would be ſomething under five ſhillings and ſixpence; for if it exceeded this ſum, the conſumer would perform the duties himſelf, and the capital allotted to be ſo employed would be regarded as uſeleſs.

Again; though the charge might amount to five ſhillings and ſixpence, as long as the competition in performing the duty remained ſolely betwixt the conſumer of the ſtockings and one proprietor of ſtock, yet, as the price of performing the labour ſupplanted by a machine is at once ſettled

on

on a different principle, when a number of machines come into competition; ſo when a number of different proprietors of ſtock preſent themſelves for performing theſe duties, the actual charge is at once regulated in the ſame manner as the charge for the machine, when a number of machines come into competition; and, indeed, on the ſame principle as the price of all other things, it is determined by the quantity of ſtock contending for the performance of theſe duties in proportion to the demand for it.

Finally; it muſt be remarked, that though the proprietor of capital ſo employed, ſaves, by the uſe of it, the labour of the conſumer, he by no means ſubſtitutes in its place an equal portion of his own; which proves that it is his capital, and not himſelf, that performs it. He, by means of his capital, perhaps, does the buſineſs of three hundred conſumers by one journey; and carts, boats, and a variety of other machinery, all tending to ſupplant labour, are applicable to the

large ſcale in which he deals, from which a conſumer could derive no benefit in procuring for himſelf the ſmall quantity adapted to the ſatisfaction of his individual deſires.

3. *Of the Method in which that Portion of Capital produces its Profit, which is employed either in the Importation of the Commodities of another Country, or the Exportation of Home Manufactures;—that is, in Foreign Trade.*

On this ſubject it is fortunately unneceſſary to enter into ſo long a detail. The ſame reaſoning we have uſed to ſhew that capital embarked in every branch of the home trade uniformly derives its profit from ſupplanting a certain portion of labour, is equally applicable to capital embarked in foreign trade. As the portion of labour ſupplanted by this deſcription of capital is much greater, if the competition exiſted ſolely betwixt a ſingle proprietor of ſtock and the conſumer, his charge might be much higher.

Foreign

Foreign trade is the exchange of the commodities of one diſtant part of the world for thoſe of another, by which the deſires of man are gratified with things which the habits of induſtry in another country enable the inhabitants to produce at a cheaper rate or of a better quality, or with things that he could not obtain from the ſoil around him, or in the climate in which he lives.

As, in every caſe of trade, whether foreign or domeſtic, the conſumer, if there exiſted no capital, muſt himſelf, in detail, pay for, or perform, every expence or portion of labour requiſite to bring any commodity into his poſſeſſion in the ſhape in which he deſires it; if the raw material grows at a diſtance from him, and many of the ſteps in the proceſs of giving it form, are conducted at a diſtance from one another, the portion of labour which the uſe of capital ſupplants muſt be greater. But the profit of capital employed in foreign trade,

though it ariſes from ſupplanting labour, comes to be regulated, not by the value of the labour it ſupplants, but, as in all other caſes, by the competition among the proprietors of capital; and it will be great or ſmall in proportion to the quantity of capital that preſents itſelf for performing the duty, and the demand for it.

Foreign trade, it muſt alſo be remarked, in the ſhipping it employs, furniſhes the great example of capital engaged in performing that ſpecies of labour which is beyond the reach of the powers of man to accompliſh; for man, even with the ſmalleſt quantity of any commodity, is incapable of ſwimming from iſlands to the continent,—from the old to the new world,—and of performing thoſe long voyages which the modern ſkill in navigation enables the ſeaman to undertake.

The duty, however, which capital thus performs, and by which it produces its pro-

fit,

fit, is ſo obviouſly of the ſame nature, that it requires no explanation to ſhew that it conſiſts in labour *.

4. *Of the Method in which that Portion of Capital produces its Profit which is employed in Agriculture.*

LABOUR is the only means of improving the fertility of the earth.—

"Curſed is the ground for thy ſake. In "ſorrow ſhalt thou eat of it all the days of "thy life. Thorns alſo and thiſtles ſhall "it bring forth to thee: and thou ſhalt "eat the herb of the field. In the ſweat of "thy face ſhalt thou eat bread †."

And true it is, that by the exertions of the labour of man alone are food and materials

* The imagination of VOLTAIRE has put into the mouth of the Philoſopher, in the Dialogue betwixt a Philoſopher and a Comptroller of Finance, the following ſentiment: "*Le "commerce fait le même effet que le travail des mains.*"

† Geneſis, chap. iii.

for clothing extracted from the earth in ſufficient quantity to ſupply his wants.

In ſhewing that ſtock veſted in machinery draws its profit ſolely from the circumſtance of ſupplanting labour, the effect of the ſpade and the plough, in which the huſbandman veſts part of his capital, has been already traced. It has been ſhewn, that it alone derives its profit from ſupplanting a portion of the labour that he would otherwiſe be obliged to perform; and the ſame reaſoning is applicable to explain how the whole of his capital, veſted in horſes, carts, or any other machinery, derives its profit from the ſame circumſtance.

"In a farm where all the neceſſary build-
" ings, fences, drains, communications, &c.
" are in the moſt perfect good order, the
" ſame number of labourers and labouring
" cattle will raiſe a much greater produce,
" than in one of equal extent and equally
" good ground, but not furniſhed with equal
" conveniencies."

" conveniencies *."—Thus—" An impro-
" ved farm may very juſtly be regarded in
" the ſame light as thoſe uſeful machines
" which facilitate and abridge labour †."
Though the Author of the Wealth of Nations did not perceive that capital veſted either in agriculture or in machinery derives its profit from ſupplanting labour; yet it is evident from the paſſage here quoted, that he felt the ſimilarity of their effects; and if, inſtead of regarding the effect of a machine as facilitating labour, or as increaſing the productive powers of labour ‡, (as he expreſſes it), he had perceived that capital veſted in machinery acquires its profit by ſupplanting labour, he muſt have attributed

* Wealth of Nations, vol. 1. p. 343. 4to edit.

† Ibid. vol. 1. p. 335.

‡ It is a ſtrange confuſion of ideas that has led Dr Smith to deſcribe the operation of capital as increaſing the productive powers of labour. The ſame proceſs of reaſoning would lead a man to deſcribe the effect of ſhortening a circuitous road between any two given places, from ten miles to five miles, *as doubling the velocity of the walker*,

attributed the origin of the profit he here deſcribes to the ſame circumſtance.

But, indeed, all capital veſted in any department of agriculture alike derives its profit from this ſource.

If the farmer employs ſtock or capital in manuring, that is, in mixing of ſoils, to increaſe fertility, it is clearly labour which he performs; and the benefit he derives from it as obviouſly conſiſts in ſupplanting labour he would otherwiſe be under the neceſſity of performing, to procure the ſame quantity of produce. If by ſuch proceſs he can double the fertility of his field, the labour of one acre ſupplies the prod ce that would have been drawn from the labour of two; and, by the fertility thus beſtowed, ſupplants the neceſſity of one-half of the labour antecedently requiſite.

If he veſts his capital either in ſeed of a particular quality, or in a ſtock of cattle and

and ſheep of a peculiar fattening kind, he does this, that, with the ſame labour, he may grow more corn, or produce more beef or mutton. So truly does man's nouriſhment depend on the ſweat of his face, that he can derive aid or aſſiſtance from nothing in increaſing the fertility of the ground, but in proportion as it performs or ſupplants a part of the labour which he muſt otherwiſe of neceſſity ſubmit to.

5. *Of the Method in which that Portion of National Capital produces a Profit which is employed in conducting Circulation.*

In conſidering how that portion of the national capital employed in conducting circulation produces a profit, it is neceſſary clearly to diſtinguiſh what forms circulating capital, from the goods that are circulated by means of capital; and this becomes the more ſo becauſe we are accuſtomed to ſee theſe two things, however different,

ferent, almoſt uniformly confounded, by thoſe who have treated on the ſubject *.

In the manner in which the circulation of moſt European countries is at preſent conducted, the circulating capital may be properly regarded as compoſed either of the coin, or of the ſubſtitutes for coin, which banking, and the modern facilities of conveying credit, have created. To theſe, therefore, we confine our views; conceiving them to form what may be, with ſtrict propriety, denominated the Circulating Capital of a Country: and a little examination

* In the Wealth of Nations, the circulating capital of a country is ſtated to be compoſed of four parts. The firſt is deſcribed as conſiſting of the money, by means of which all the others are circulated and diſtributed; the Author thus plainly confeſſing, that the other three articles of which he imagined circulating capital to be compoſed, are not employed in circulating, but are actually goods to be circulated. They are, in fact, portions of what is reſerved for conſumption. Wealth of Nations, p. 326.

tion will ſuffice to ſhew, that gold and ſilver, as coin, are alone eſtimated by man for their utility in ſupplanting labour, as well as that the advantage which the public derives from the improved method of circulation, by means of banks, is founded on the ſame principle.

Money is of uſe to mankind in two different capacities; as an inſtrument of exchange; and as a practical ſtandard, by which the value of all commodities is meaſured and expreſſed. To convey a clear idea how the portion of the national capital employed in executing theſe twoduties is profitable merely from the circumſtance of its ſupplanting labour, perhaps no better method can be followed, than that which was purſued in examining the foundation of the profit of capital employed in the home trade.

Let us, then, conſider what would be the effect of withdrawing from any ſociety that

part

part of its capital which is employed in conducting the circulation of goods, and in forming a practical ſtandard, by which the value of commodities is meaſured and expreſſed.

The moment this portion of the national capital is abſtracted from any ſociety, the exchange of thoſe things which nature or art enables one man to produce with greater eaſe or of better quality, for thoſe things which ſimilar circumſtances enable another to produce with greater advantage, muſt be conducted by barter.

A farmer, for example, who had in his barn a quantity of wheat, much greater than the conſumption of his family, and who deſtined the overplus to ſupply the other articles neceſſary for their clothing and nouriſhment, if he wanted a pair of ſhoes, would be obliged to proceed with a quantity of his wheat to a ſhoemaker, to endeavour to negotiate an exchange; but as it might probably

probably happen, that the firſt ſhoemaker he accoſted, had already, in return for ſhoes, obtained all the wheat he meant to conſume, he would be under the neceſſity of remaining without ſhoes, till he could find a ſhoemaker who wanted wheat.

If, unfortunately, the whole profeſſion were already ſupplied with wheat; to obtain a pair of ſhoes, he would be under the neceſſity of endeavouring to diſcover what was the article the ſhoemaker wiſhed to procure; and if, on inquiry, it appeared that beer was the commodity with which the ſhoemaker wiſhed to be ſupplied, the farmer muſt then endeavour to procure from the brewer a quantity of beer in exchange for his wheat, as a preliminary to his future negotiation with the ſhoemaker.

But the brewer might alſo be ſupplied with wheat; which would oblige the farmer, in the firſt inſtance, to endeavour

to

to exchange his wheat for ſome commodity the brewer wanted, that with it he might purchaſe the beer, with which he afterwards meant to acquire his ſhoes.

Tedious as this proceſs may appear, it is one of the ſimpleſt caſes that could be ſtated, for the purpoſe of pointing out and explaining the laborious path which every man, if the circulating capital of a country was abſtracted, would be obliged to tread, in endeavouring to ſupply his wants by parting with his ſuperfluities; for it is plain, that the courſe would often be infinitely more tedious and intricate, before the goods of one man could be repeatedly bartered, till they at length became exchanged for that particular commodity which another wanted.

Neither is this the ſole ſource of the labour that would be impoſed on man, by withdrawing the capital employed in the conduct of circulation. As there would then

then exiſt no general ſtandard by which the value of commodities was uſually eſtimated, an inquiry muſt of neceſſity take place, in ſettling the terms of every particular exchange, to aſcertain the relative value of the commodities.

For example: if the brewer to whom the farmer applied, wiſhed to have ſome wheat, and it ſo happened, that neither the farmer had antecedently exchanged wheat for beer, nor the brewer beer for wheat, they would be at a loſs to fix the quantity of wheat that ſhould be given for a gallon of beer. If, indeed, each had luckily already procured a leg of the ſame ſheep in exchange for the commodity they reſpectively poſſeſſed, they might then diſcover the relative value of the wheat and the beer, becauſe two things equal to one and the ſame thing are equal to one another; but as it would probably happen, that the farmer and brewer had never exchanged wheat and beer for the ſame commodity, they could not have recourſe to this eaſy mode of deciding the

portion of wheat that ought to be parted with for the acquiſition of a given quantity of beer. The courſe, therefore, the farmer would have to purſue, even after he had undergone the labour neceſſary to diſcover a brewer who wanted wheat, might be infinitely laborious, before he could trace out, through the medium of various exchanges, ſome one interchange, that afforded a point of compariſon betwixt the value of the wheat and the beer.

If this, however, could not be diſcovered, he would be obliged, as the only means of aſcertaining the terms of the exchange, to inſtitute an inquiry into the proportion betwixt the demand for, and the quantity of the beer, and alſo into the demand for, and quantity of the wheat; theſe being the circumſtances on which the relative value of all commodities depends.

The beer being procured, it is plain he might be under the neceſſity of repeating

ing the ſame operation in negotiating the exchange for the ſhoes.

Thus it is obvious, that the portion of the capital of a country employed in conducting circulation, is not only profitably employed, by ſaving the labour of man, in its character of an inſtrument for conducting exchanges, but alſo in its capacity of a ſtandard, for meaſuring the value of commodities.

It is not, perhaps, at firſt ſight ſo apparent, that circulating capital is profitable to mankind from the circumſtance of ſupplanting labour, as it is that the profit of a machine is derived from that ſource; but there is in reality no part of the capital of a nation that ſupplants a greater portion of labour, certainly none the benefit of which in ſupplanting labour is more univerſally enjoyed.

The labour of the manufacturer fixes

and realizes itſelf in ſome vendible commodity. Its exiſtence as productive labour is therefore more eaſily diſcernible than the labour of the menial ſervant, whoſe ſervices generally periſh at the inſtant of performance. The labour of a manufacturing machine, in like manner, fixes itſelf in ſome vendible commodity, which makes the origin of its profit more apparent than that of circulating capital, whoſe ſervices, like that of the menial ſervant, periſh at the inſtant of their performance; but which, like his, too, remain at all times prepared to ſupplant the neceſſity of another portion of labour, which the maſter muſt otherwiſe perform *.

Though

* Neither the labour performed by the menial ſervant, nor that of which the neceſſity is ſupplanted by circulating capital, do naturally ſtock, or ſtore themſelves up in ſuch a manner as to be transferred from one to another for a defined value. The profit of the one and the other alike ariſes from ſaving the labour of the owner or maſter. The ſimilarity is indeed ſuch, that it is natural to ſuppoſe the ſame circumſtances which led the one to be deemed unproductive,

Though coin, employed as circulating capital, has been thus eagerly ſought after, not for the ſake of the gold and ſilver it contains, but merely on account of the labour it ſupplants; like other means of ſupplanting labour, it requires, though an inferior, yet a certain portion of labour to procure it. To carry it about, when procured, is alſo, from its bulk and weight, laborious. To ſave theſe remaining portions of labour, in conducting the circulation of a country, various modifications of banks have been ſucceſſively introduced, highly beneficial to the community in which they

 have

productive, would naturally create the ſame impreſſion with relation to the other. Accordingly, the Author of the Wealth of Nations, who conceives the labour of the menial ſervant to be unproductive, informs us, that "the "gold and ſilver money which circulates in any country, "and by means of which the produce of its land and la- "bour is annually circulated, and diſtributed to the pro- "per conſumers, is, in the ſame manner as the ready mo- "ney of the dealer, all dead ſtock. It is a very valuable "part of the capital of the country, which produces no- "thing to the country." Wealth of Nations, vol. i. p. 388. 4to edit.

have been eſtabliſhed, from their ſupplanting the labour, formerly performed by the Sovereign, of procuring coin, and that performed by the ſubjects, of making payments in it *; and alſo from their executing,

* There are various paſſages in Mr THORNTON's Book on Paper Credit, which may be cited in confirmation of the propoſition, that ſupplanting of labour is the great object in the introduction of all ſubſtitutes for coin.—For example:

"To ſpeak firſt of Bills of Exchange.—It is obvious, that however portable gold may be in compariſon of any other article which might be made a meaſure of value, to carry it in quantities to a great diſtance muſt prove incommodious. Let it be ſuppoſed that there are in London ten manufacturers, who ſell their article to ten ſhopkeepers in York, by whom it is retailed; and that there are in York ten manufacturers of another commodity, who ſell it to ten ſhopkeepers in London. There would be no occaſion for the ten ſhopkeepers in London to ſend yearly to York guineas for the payment of the York manufactures, and for the ten York ſhopkeepers to ſend yearly as many guineas to London." He then proceeds to ſhew the uſe of bills of exchange in ſupplanting labour. See p. 24.

Again, p. 54. "But further, if bills and bank-notes were extinguiſhed, other ſubſtitutes than gold would unqueſtionably be found. Recourſe would be had to de-

vices

ting, with a machine of little value, the labour antecedently performed by a very expenſive inſtrument.

From this laſt circumſtance it is, that moſt countries undoubtedly derive what has been eſteemed the greateſt benefit they enjoy from the modern improved method of conducting the circulation of commodities. Yet it ſeems to be to the deſire of man to ſupplant labour that we are indebted for the invention; for banks, we are told, were firſt introduced into Swedeland *, where the money being all of copper,

" vices of various kinds, by which men *would ſave them-*
" *ſelves the trouble of counting, weighing, and tranſporting*
" *guineas, in all the larger operations of commerce.*" See alſo the deſcription he gives, p. 55. of the method in which London bankers make payments to one another, calculated for no other purpoſe but to ſupplant the neceſſity of a portion of labour which their clerks would otherwiſe be obliged to perform.

* " The uſe of banks has been the beſt method yet prac-
" tiſed for the increaſe of money. Banks have been long
" uſed

per, it was highly inconvenient, by reaſon of its weight and bulk, to carry it about in ſuch quantities as was neceſſary to conduct exchanges.

In truth, though a country may derive much benefit from having a cheaper medium of exchange, inſomuch, that if there is a ſcarcity of capital, it will by this means have more for other uſes; yet this conſideration never could form the motive of any individual, for preferring one medium of exchange to another. To the ſeller of a commodity, the value of the medium of exchange is perfectly indifferent, provided he is ſure it is in equal eſtimation with thoſe from whom he ſubſequently means to

" uſed in Italy; but, as I am informed, the invention of " them was owing to Swedeland. Their money was copper, " which was inconvenient by reaſon of its weight and bulk. " To remedy this inconveniency, a bank was ſet up, where " the money might be pledged, and credit given to the " value, which paſſed in payments." LAW on Money and Trade. Glaſgow edit. p. 67.

to purchaſe. A man can alone have an intereſt in the value of what he produces, and what he conſumes; but coin or its ſubſtitutes are never conſumed: they only paſs from one to another, for the purpoſe of ſaving labour in the conduct of exchange; and the only immediate intereſt that he who accepts a given quantity of any medium of exchange can have, is, that it ſhould ſave as much labour as poſſible. It is on this principle that ſilver is preferred to an equal value of copper; that gold, in making large payments, is preferred to both; and that bills of exchange, ſupplant, with advantage, the uſe of the metals in extended commercial concerns.

Had the ingenious Abbé MORELLET written for the purpoſe of illuſtrating what is here ſtated, he could not have given a more deſirable definition of paper-currency than the following: "We underſtand by paper-"money, every acknowledgment of debt "or obligation; in a word, every ſtipula-"tion,

" tion, by writing, betwixt a debtor and " creditor, which obliges the former to " pay, and authoriſes the latter to exact a " value; and which being capable of con- " veyance, becomes a means of transfer- " ring the property of theſe values from " one to another, without tranſporting the " things valuable in ſubſtance.

" It is plain, that this definition applies " to all notes, bills, and every ſpecies of " bank-credit; to ſecurities granted by Go- " vernments for money borrowed, as well " as to all ſecurities for money advanced in " ſpeculations of commerce or finance: fi- " nally, to credit given by one individual to " another, in the form of bills of exchange, " promiſſory-notes, orders, &c. &c. *."

But it is not alone when employed in the uſeful and beneficial purpoſes of commerce, manufacture,

* *Proſpectus d'un Nouveaux Dictionnaire de Commerce*, p. 184. For the original ſee APPENDIX, No. III.

manufacture, agriculture, and the conduct of exchanges, that capital ſerves man, by ſupplanting or performing labour. After the explanation given, without involving the reader in any additional detail, his own imagination will at once ſuggeſt how theſe immenſe capitals, ſquandered in the modern conduct of miſchievous, but perhaps unavoidable warfare, are alone profitable to the community, upon the ſame principle.

From this ſhort examination it appears, that capital, whether fixed or circulating, whether embarked in the home or in foreign trade, far from being employed in putting labour into motion, or in adding to the productive powers of labour *, is, on the contrary, alone uſeful or profitable to mankind, from the circumſtance of its either *ſupplanting the neceſſity of a portion of labour, that would otherwiſe be performed by the hand*

* Wealth of Nations, vol. i. p. 437,—441,—445. 4to edit.; and in many other paſſages.

hand of man,—or of its executing a portion of labour, beyond the reach of the powers of man to accompliſh: and this is not a mere criticiſm on words, but a diſtinction in itſelf moſt important.

The idea, that capital puts labour into motion, that it adds to the productive powers of labour, gives riſe to the opinion that labour (which it will afterwards be ſhewn is the great means of increaſing wealth) is every where proportioned to the quantity of exiſting capital *; that the general induſtry of a country is always proportioned to the capital that employs it †; and therefore authoriſes the inference, that the increaſe of capital is the ſovereign and unbounded means of augmenting wealth. Whereas the opinion, that capital can alone be employed with utility and advantage in ſupplanting or performing labour, naturally

* Wealth of Nations, vol. i. p. 3. 4to edit.

† Ibid. vol. ii. p. 37.

rally ſuggeſts the inference, that a country cannot be benefited by the poſſeſſion of a greater portion of capital than can be employed in performing and ſupplanting labour, in the production and formation of thoſe things for which there exiſts a demand.

Having thus analyſed and explained the nature and origin of the profit on ſtock, having attempted to make manifeſt,—that as land produces profit by means of its produce,—and that as labour produces profit by increaſing the quantity, and meliorating the quality, of the productions of nature, and by giving it form adapted for conſumption,—ſo capital is productive of profit, either by ſupplanting a portion of labour which would otherwiſe be performed by the hand of man, or by performing a portion of labour which is beyond the reach of his powers to accompliſh; in purſuance of the plan adopted, we ſhould be naturally led to inveſtigate, how far the profit

profit of ſtock, the nature of which has been explained, is to be ranked, along with the produce of land and the exertions of labour, as a ſource of wealth.

But the inveſtigation in which we have been engaged, ſeems to preclude the neceſſity of entering into any detail on this ſubject; for if we have been ſucceſsful in ſhewing, that labour in all its varieties is more or leſs productive of wealth, it follows, that capital, the profit of which ariſes from performing, with great advantage to mankind, labour, which has already been proved to contribute towards wealth, muſt alſo be regarded as a ſource of wealth.

CHAP.

CHAP. IV.

OF THE POSSIBILITY OF INCREASING WEALTH BY ANY OTHER MEANS THAN THOSE BY WHICH IT IS PRODUCED.

THE ſources of national wealth having been examined and aſcertained, it would ſeem that we might proceed, without further inveſtigation, to conſider the different effects of the produce of land,—of the exertions of labour, and of capital in ſupplanting and performing labour, in increaſing wealth; theſe being the ſole ſources of wealth, and therefore the only means of increaſing it. For as animals are alone multiplied

multiplied by the means by which they are produced; as vegetable ſubſtances alſo can alone be increaſed by the means by which they are produced, as a greater quantity of metals, and other productions from the bowels of the earth, can alone be acquired by an increaſe of that labour which procures them; and as a greater quantity of raw materials can alone acquire the form that adapts them for conſumption, by a more frequent repetition, or ſkilful exertion, of the labour that gives them form; ſo wealth, it might be reaſonably inferred, could alone be increaſed by the means by which it is produced.

But popular prejudice, which has ever regarded the ſum-total of individual riches to be ſynonymous with public wealth, and which has conceived every means of increaſing the riches of individuals to be a means of increaſing public wealth, has pointed out parſimony or accumulation by a man's depriving himſelf of the objects of deſire, to which his fortune entitles him,

(the

(the uſual means of increaſing private fortune), as the moſt active means of increaſing public wealth.

When we reflect that this abſtinence from expenditure, and conſequent accumulation, neither tends to increaſe the produce of land, to augment the exertions of labour, nor to perform a portion of labour that muſt otherwiſe be executed by the hand of man; it ſeems that we might be entitled at once to pronounce, that accumulation may be a method of transferring wealth from A, B and C, to D; but that it cannot be a method of increaſing public wealth, becauſe wealth can alone be increaſed by the ſame means by which it is produced.

But when the public prejudice is confirmed by men moſt admired for talents; when we are told by the moſt eſteemed authority, that every prodigal is a public enemy, and every frugal man a public be-

nefactor *; that parſimony, and not induſtry, increaſes capital, (meaning wealth †); and that, as frugality increaſes, and prodigality diminiſhes, the public capital; ſo the conduct of thoſe whoſe expence juſt equals their revenue, neither increaſes nor diminiſhes it ‡; it becomes neceſſary to enter into a more minute examination of this opinion ‖; and the more ſo, as it has given birth to an erroneous ſyſtem of legiſlation, which, if perſiſted in, muſt infallibly ruin the country that adopts or perſeveres in it.

The means by which ſtock or capital acquires a profit, have been already inveſtigated.

* Wealth of Nations, vol. i. p. 414. 4to edit.

† Ibid. vol. i. p. 410.

‡ Ibid. p. 421.

‖ This opinion concerning the ſalutary effects of parſimony, is held by many other writers on political œconomy; more particularly by Turgot, in his Treatiſe on the Formation and Diſtribution of Riches. See from paragraph 49. to paragraph 83.

ted. It has been ſhewn, that it is uniformly profitable to man, by ſupplanting the neceſſity of a portion of labour he muſt otherwiſe perform, or by performing a portion of labour beyond the reach of his powers; and it does not require much conſideration to diſcover what it is that executes this labour: for it is obviouſly a part of the produce of the earth, or a part of the earth itſelf, to which either nature or art has given a form that adapts it for the purpoſe of ſupplanting labour.

If capital, however, in all its varieties, is neither more nor leſs than a part of the produce of the earth, or a part of the earth itſelf, to which either nature or art has given a form that adapts it for ſupplanting or performing a portion of labour; let us conſider, whether there are not bounds to the quantity of its revenue, which a country can, conſiſtent with its welfare, beſtow in this ſort of expenditure, that is appropriate to the execution of this duty.

For the ſake of perſpicuity, we ſhall begin by conſidering the effects of accumulation in a ſimple ſtate of ſociety, where capital has not yet aſſumed all that variety of form, which man, in the progreſs of ſociety, gives it, for the purpoſe of performing labour; though the ſame obſervations will afterwards be found applicable to ſocieties ſuch as modern Europe preſents to our view, where capital floats in all the variety of channels to which extended commerce deſtines it, and where even the natural channels, in which all property would fluctuate, are deranged by overgrown financial arrangements.

When ſociety exiſts in that ſtate where man is chiefly occupied in agriculture, or the cultivation of the land, his property can alone conſiſt in the land he poſſeſſes,—in the grain he annually produces, and the breeding ſtock whoſe produce is reared for conſumption,—and, laſtly, in the animals and utenſils he employs, to enable him

to

to produce and conſume his wealth with leſs labour; that is, in a more ſatisfactory and comfortable manner to himſelf. In ſuch a ſtate, his property, therefore, divides itſelf into three different branches.

1. The land he cultivates.

2. The ſtock he reſerves for immediate and remote conſumption; under which is comprehended the produce of his farm, whether vegetable or animal.

3. His capital, conſiſting of the animals or machines he employs to ſupplant labour in the cultivation of his farm, or in the convenient conſumption of its produce.

That this laſt part of his wealth is highly beneficial to himſelf, as well as to the ſociety in which he lives, is undoubted; it ſupplants a portion of labour which muſt otherwiſe be executed by the hand of man, and may even execute a portion of labour be-

yond the reach of the perſonal exertions of man to accompliſh. If, therefore, he is not poſſeſſed of a ſufficiency of thoſe animals; inſtruments and machines, which form his capital, it will moſt clearly be commendable, and in the higheſt degree advantageous to ſociety, that he ſhould augment the exertions of his induſtry, for the purpoſe of procuring them; and if he cannot otherwiſe effect this augmentation, it may even be prudent and beneficial that he ſhould abridge a portion of his immediate conſumption, for the ſake of increaſing his capital; that is, that he ſhould allot a part of the live ſtock and grain he otherwiſe would immediately conſume and enjoy, to purchaſe what would enable him, at a future period, to produce and conſume more with greater eaſe and ſatisfaction to himſelf.

If, on the other hand, however, he is already in poſſeſſion of as much capital, as, in the exiſting ſtate of his knowledge, he can

can uſe for the purpoſe of ſupplanting labour in cultivating the quantity of land he poſſeſſes, it can neither be advantageous for himſelf nor for the public that he ſhould abridge his conſumption of food, clothing, and the other objects of his deſire, for the purpoſe of accumulating a much greater quantity of capital, (that is, of live and dead ſtock, for performing labour), than can by poſſibility be employed in ſupplanting labour. The extenſion of his lands, or the invention of new means of ſupplanting labour, would juſtify a deſire for increaſing his capital; but, otherwiſe, accumulation, by deprivation of expenditure, muſt be detrimental to himſelf as well as to the public.

To the farmer it muſt be diſadvantageous, becauſe he deprives himſelf and his family of what they naturally deſire, and would otherwiſe enjoy, for the purpoſe either of acquiring a larger quantity of labouring cattle than he could uſefully em-

ploy, (the maintenance of which demands farther ſacrifices of what his family would wiſh to enjoy), or of accumulating a hoard of ſpades, ploughs, and other utenſils of huſbandry, with which he was acquainted, infinitely greater than he could uſe;—thus depriving himſelf of ſubſtantial enjoyments, for the purpoſe of acquiring an additional quantity of that of which an increaſe, after a certain portion is obtained, can be of no further utility.

To the public it is ſtill more diſadvantageous, becauſe it diverts the channel of its induſtry from a path, in which it muſt be uſeful, to a path in which, unleſs there is either an acquiſition of territory, or a diſcovery of new means of ſupplanting or performing labour by capital, it is uſeleſs to mankind.

It creates, indeed, a demand for the labour of the blackſmith, of the carpenter, and of other mechanics who are employed

in

in giving to raw materials the form that adapts them for ſupplanting labour; and it will thus alter the proportion betwixt the demand for, and quantity of, this ſort of labour, in ſuch a manner as, by increaſing the value of it, to encourage its augmentation. But as this increaſe of value, and conſequent encouragement given to this ſpecies of labour, muſt occaſion a diminution of expenditure, in things that would be immediately conſumed, it muſt reduce their value by the portion of demand it abſtracts from them, (as has been already ſhewn *), in a greater degree than it increaſes the value of that labour, or of thoſe commodities, to the acquiſition of which it is perverted; that is, it muſt produce a greater diminution of encouragement to the providing of food, clothing, and thoſe other articles which would have been conſumed, had it not been for this avidity of accumulating capital, than it gives augmentation of encouragement to the forming of thoſe things, which, if they could

* See p. 86, 87.

could all be uſed, would tend to ſupplant labour.

But further, to diſplay the full extent of the evil that muſt ariſe from indulging this baneful paſſion for accumulation, that has been falſely denominated a virtue, it is neceſſary here to explain the ſingular effect which the demand it creates muſt have on individual riches.

It has already been made evident, that a ſudden demand for any conſumeable commodity, by increaſing its value, encourages an augmented production, and tends, therefore, to increaſe wealth, though its effect is always counteracted by the more important diminution of the value of other commodities, (from which the ſudden riſe of the value of any one commodity abſtracts a portion of demand); becauſe the check given to production, by the abſtraction of demand, has a more powerful effect in diminiſhing wealth, than the encouragement ariſing

ariſing from an extenſion of demand has in augmenting it. This was illuſtrated, by ſhewing the effect which doubling the demand for ſugar would have, where the means of ſatisfying that increaſed demand were to be found by abſtracting a part of the expenditure of the ſociety in butchers-meat, wine and muſtard *.

In conſidering that ſubject, it appeared, that, though the diminution of individual riches, in the articles of wine, muſtard and butchers-meat, would be great, this would, in ſome degree, though inadequately, be compenſated by an increaſe in the value of ſugar, and the conſequent augmentation of the riches of individuals in that article.

But if this abſtraction of demand from the articles of butchers-meat, wine and muſtard, had been occaſioned by the deſire of the farmer to accumulate capital; that is, to hoard up a quantity of ploughs and other inſtruments of agriculture, greater than

* See page 87,

than could be uſed; then, as the quantity of theſe articles would be increaſed in proportion to the demand for them, their value muſt be diminiſhed, as well as that of the butchers-meat, wine and muſtard, from whence the demand is abſtracted. Thus a diminution of value muſt be produced, not only in the articles for which parſimony occaſions an abſtraction of demand, but even in the article for which it creates a demand; and public wealth muſt ſeverely feel the effects of the diſcouragement by this means given to the production of both.

The public muſt, therefore, ſuffer by this love of accumulation, if puſhed beyond its due bounds;—1. By the creation of a quantity of capital more than is requiſite;—and, 2. By abſtracting a portion of encouragement to future reproduction.—

1. *By the creation of a quantity of capital more than is requiſite* for the moment, a thing, however much eſteemed, is produced in ſuch a quantity, that the whole cannot be employed,—

ployed,—a part ceaſes to be an object of deſire; and as things, when no longer ſcarce, can form no part of individual riches, ſo, when no longer objects of deſire, they form neither a portion of individual riches nor of wealth.—The fineſt palaces in the world ſtand empty at Delhi, unoccupied and undeſired; and the ſpacious warehouſes at Antwerp, ſerve only as monuments of her departed commerce.

2. *By abſtracting a portion of encouragement to future reproduction*, a diminution muſt be occaſioned in the wealth to be produced; for, as long as the nature of men remains unchanged, the knowledge of what has been conſumed, and of the degree of avidity diſplayed in the market for the different articles of conſumption, muſt imperiouſly regulate the nature of what is ſubſequently produced. This, indeed, may be aſſumed as a propoſition univerſally admitted; inaſmuch as even thoſe who hold deprivation of expenditure, and conſequent accumulation, to be a mode of increaſing wealth, acknowledge

ledge (with unaccountable inconſiſtency) that the whole quantity of induſtry annually employed to bring any commodity to market, ſuits itſelf to the effectual demand *.

If, however, deprivation of expenditure, and conſequent accumulation, far from being a means of increaſing the wealth of the nation, muſt, in this ſimple ſtate of ſociety, by diſcouraging production, inevitably tend to its diminution, it ſeems difficult to diſcover what alteration the circumſtances of a country undergo in the progreſs of wealth, which can ſo far change the nature of things, as to make accumulation a means of increaſing wealth.

It has been obſerved, that the property man poſſeſſes in that ſtate of ſociety to which alluſion has been made, naturally claſſes itſelf under three different heads.

1. The land he cultivates.

2. The

* Wealth of Nations, vol. 1. p. 70. 4to edit.

2. The ſtock he reſerves for immediate and remote conſumption; under which is comprehended the produce of his farm, whether vegetable or animal.

3. His capital, conſiſting of the animals or machines he employs to ſupplant labour in the cultivation of his farm, or in the convenient conſumption of its produce.

In the progreſs of wealth, the firſt article of the ſociety's property, the land the farmer cultivates, becomes, from improvement, more productive; the improved ſyſtem of cultivation requires more capital, but there can be no ſyſtem of culture that can benefit by an unlimited application of capital:—*As much has been done for that field as poſſible*, is an expreſſion that ſubſiſts in the phraſeology of the farmer in all ſtates of ſociety; and, in every ſtate of ſociety alike, means, that as much capital has been employed in the improvement of that field as the preſent ſtate of the knowledge of mankind enables him to lay out with advantage;

vantage; that is, with any proſpect of increaſing its produce.

The increaſed produce of land, occaſioned by the wiſe application of labour and capital, of courſe increaſes in a great degree the vegetable and animal ſubſtances reſerved for immediate or remote conſumption, which forms the ſecond branch of the property of a ſociety; and it is this branch of the property of mankind that alone appears capable of unlimited increaſe; the more man augments it, the more muſt the human ſpecies abound in opulence, or in numbers. The affluent member of an opulent ſociety, conſumes more by reducing his nouriſhment into a form ſuitable to his palate, by ſelecting, to compoſe his clothing, the parts of the productions of nature moſt kindly to his feeling, and pleaſing to his eye; and by diſpoſing of a part of what is produced, in exchange for commodities of a diſtant country, which affluence enables him, and habit teaches him to enjoy. If, even by all theſe various methods, the increaſed

produce

produce is not conſumed, experience ſhews that abundance of the neceſſaries of life has a direct tendency to increaſe population, and by this means to reſtore the proportion betwixt the demand and the quantity of the increaſed commodities; thus maintaining their value notwithſtanding their abundance, and perpetuating the encouragement to reproduction.

The third claſs or deſcription of the property of a ſociety, its Capital, conſiſting of all the various means of ſupplanting labour, and of performing labour which could not be accompliſhed by the perſonal exertions of man, is, in the progreſs of wealth and knowledge, alſo ſubject to wonderful increaſe; as the ſhipping, the navigable canals, the roads, the machines for tranſporting and for fabricating, and the warehouſes for preſerving commodities, as well as the capital employed in circulating them, ſufficiently denote *.

* Nothing can more forcibly exhibit the great augmentation that has taken place during the laſt century in the capital

But this deſcription of property has its limits, beyond which it cannot, with advantage,

capital which in this country is employed in conducting circulation, in conſequence of its increaſed opulence, than the following advertiſement inſerted in the Poſt Boy of the 20th March 1708, and repeated in the ſame paper, March 23. 25. and 27.

" London, March 20. Whereas, there have been ſeve-
" ral falſe and malicious reports induſtriouſly ſpread
" abroad, reflecting on Sir RICHARD HOARE, goldſmith,
" for occaſioning and promoting a run for money on the
" Bank of England; and in particular, ſeveral of the Di-
" rectors of the ſaid Bank reporting, That the ſaid Sir RI-
" CHARD ſent to the Bank for ten of their notes, of L. 10
" each, with a deſign to ſend ſeveral perſons with the ſaid
" notes to receive the money thereon, ſo as to effect his ill
" deſigns, and to bring a diſreputation on the Bank, and
" occaſion a diſturbance in the city of London: This is to
" ſatisfy all perſons, that the Right Honourable the Lord
" ASHBURNAM, father of the Honourable Major ASHBUR-
" NAM, major of the firſt troop of her Majeſty's Life
" Guards, who was ordered to march for Scotland,
" ſending to the ſaid Sir RICHARD HOARE for a large
" quantity of gold, and for ten bank-notes, of L. 10
" each, for the ſaid Major, to take with him to bear
" his expences: The gold was ſent to his Lordſhip
" accordingly, and Sir RICHARD's ſervant went to the
" Bank for ten notes, of L. 10 each, which the caſhier of
" the

vantage, be increaſed. In every ſtate of ſociety, a certain quantity of capital, proportioned to the exiſting ſtate of the knowledge of mankind, may be uſefully and profitably employed in ſupplanting and performing labour in the courſe of rearing, giving form to, and circulating the raw materials produced. Man's invention, in the means of ſupplanting labour, may give ſcope, in the progreſs of ſociety, for the employment of an increaſed quantity;

 but

" the Bank refuſed to give. But if Sir RICHARD had in-
" tended to promote a run for money on the Bank, he
" could have done it in a more effectual manner, having
" by him, all the time that the great demand for money
" was on the Bank, ſeveral thouſand pounds in notes pay-
" able by the Bank; and alſo, there was brought to Sir
" RICHARD, by ſeveral gentlemen, in the time of the run
" on the bank, notes payable by the ſaid Bank, amounting
" to a great many thouſands of pounds, which he was de-
" ſired to take, and receive the money preſently from the
" Bank; which he refuſed to do till the great demand on
" the Bank for money was over.

" *N. B.* That the reports againſt Sir RICHARD have
" been more malicious than herein is mentioned, which he
" forbears to inſert for brevity's ſake."

but there muſt be, at all times, a point determined by the exiſting ſtate of knowledge in the art of ſupplanting and performing labour with capital, beyond which capital cannot profitably be increaſed, and beyond which it will not naturally increaſe; becauſe the quantity, when it exceeds that point, muſt increaſe in proportion to the demand for it, and its value muſt of conſequence diminiſh in ſuch a manner, as effectually to check its augmentation. It is wonderful how the Author of the Wealth of Nations, who ſucceſsfully ridicules the indefinite accumulation of circulating capital, by comparing it to the amaſſing of an unlimited number of pots and pans *, did not perceive that the ſame ridicule is applicable to the unlimited increaſe of every branch of that deſcription of the property of a country which conſtitutes its capital.

Fortunately, however, for mankind, the mechaniſm of ſociety is ſo arranged, that the miſchief done by the parſimony and diſpoſition

* Wealth of Nations, vol. ii. p. 15. 4to edit.

poſition to accumulation of one individual is almoſt uniformly counteracted by the prodigality of ſome other; ſo that in practice nothing is found more nearly commenſurate than the expenditure and revenue of every ſociety. This inquiry, therefore, if mankind were left to regulate their conduct by their inclinations, would be rather a matter of curioſity than utility; for if the effects of parſimony are uniformly counteracted by prodigality, the public wealth can be neither increaſed nor diminiſhed by it.

As an object of curioſity, it would, at all events, be intereſting to inveſtigate, whether parſimony was entitled to all the praiſes laviſhed upon it by the learned and the ingenious. But the impreſſion theſe opinions have, in our own times, made on the conduct of legiſlation, has given to this inveſtigation a degree of importance which makes it highly intereſting.

Stateſmen and Legiſlators, (who, like others, have conſidered every means of increaſing the fortunes of individuals as a means of increaſing public wealth), taught to admire the effect of parſimony and accumulation in the conduct of private fortunes, have been naturally led to regard it as a ſalutary means of increaſing the public fortune, or relieving from embarraſſment the public treaſury *.

On this principle, the Republic of Holland, ſo early as the year 1655, was induced

* "On the ſame principle that guided the determination of the Parliament of 1786, another act was paſſed in 1792, which provided, That on all future loans (in addition to the taxes to be impoſed for paying the intereſt of the ſame), a ſurplus of one pound per cent. per annum, on the capital created, ſhould be raiſed for the redemption of that capital. *This was an idea conceived in that ſpirit of inflexible integrity and economy, of which nations rarely afford an example; though, like the ſame virtue in private life, it is calculated to promote, in the higheſt degree, their credit and their proſperity.*" Brief Examination into the Increaſe of the Revenue, Commerce, &c. of Great Britain, by GEORGE ROSE, p. 19.

ced to ſet aſide an annual revenue, to be permanently accumulated, for the public benefit. This example was, in the year 1685, followed by Pope INNOCENT XI.; and an arrangement of a ſimilar nature took place in the management of the Treaſury of England in the year 1717, which was afterwards extended in the year 1727, when an annual ſum of no leſs than L. 1,200,000 was devoted to accumulation at compound intereſt.

All theſe different ſums, however, ſet aſide for accumulation, (or Sinking Funds as they are called);—that of the province of Holland in the year 1655,—that of Pope INNOCENT XI., in the year 1685,—as well as that eſtabliſhed in England in the year 1717 and 1727,—aroſe from ſavings in conſequence of reductions of intereſt; for mankind had not yet become ſo enamoured of the idea of accumulation, as to embolden any Legiſlature to impoſe burdens on the public for the avowed purpoſe.

How and why this firſt attempt to force accumulation by law in England died away, will be afterwards conſidered. In point of fact, we are told, by one of the ableſt and moſt reſpectable advocates in favour of this ſyſtem of increaſing the wealth of a nation by acumulation, that, ſoon after the year 1730, this fund ſet aſide for accumulation, which, if it "could have eſcaped the hand of "violence, would have made Great Britain "the envy and terror of the world, was pre-"maturely deſtroyed by the hand of its own "parent *;" and after that period, though there exiſted the name of a Sinking Fund, and though ſums were from time to time employed to purchaſe up portions of the public debt, the plan of a regular forced accumulation, by the authority of Government, with a view to public benefit, was for

* See an Appeal to the Public on the Subject of the National Debt, by Dr PRICE, p. 37.

for many years relinquiſhed in practice *. This ſyſtem was, however, again revived in the year 1786, when, in the Houſe of Commons, it was ſtated,—and certainly at the time truly ſtated,—to be the common conſent of all, that L. 1,000,000 ſhould be

* Sums paid off by the Sinking Fund eſtabliſhed in 1717 and 1727, and afterwards augmented, by the reduction of intereſt, betwixt the year 1750 and the year 1757.

Year.				Year.			
1723,	L. 1,204,786	3	4½	1738,	L. 1,000,000	0	0
1724,	333,447	18	4	1751,	368,771	2	4
1727,	650,453	2	8½	1752,	821,270	13	9
1728,	1,000,000	0	0	1765,	870,888	5	5½
1729,	1,275,027	17	10½	1766,	870,888	5	5½
1730,	1,000,000	0	0	1767,	2,616,776	10	11
1731,	1,000,419	16	4	1768,	1,750,000	0	0
1732,	1,000,000	0	0	1769,	875,000	0	0
1733,	913,115	15	3½	1770,	1,500,000	0	0
1734,	86,884	4	8½	1772,	1,500,000	0	0
1736,	1,000,000	0	0	1774,	1,000,000	0	0
1737,	1,000,000	0	0	1775,	1,000,000	0	0

Amount of the National Debt at different Periods up to the Year 1775.

Year.		Year.	
1688,	L. 664,263	1748,	L. 78,293,312
1702,	16,394,702	1755,	74,571,849
1715,	54,145,363	1762,	146,682,844
1727,	52,092,235	1775,	135,943,951
1739,	46,954,623		

be ſet aſide to accumulate for national benefit.

A law was accordingly ſoon afterwards made, by which L. 1,000,000 was devoted to be accumulated quarterly, till ſuch time as, together with the annuities which were to fall into the public, it amounted to L. 4,000,000 *per annum**. And in the year 1792, after ably ſtating the proſperity which the duration of peace and tranquillity had ſecured for this country, the ſame Miniſter, who propoſed the accumulating fund in 1786, introduced a propoſal for increaſing the ſum devoted to accumulation in the following terms:—

"Having ſtated the increaſe of revenue, "and ſhewn that it has been accompanied "by a proportionate increaſe of the national "wealth, commerce and manufactures, I "feel that it is natural to aſk, What have "been the peculiar circumſtances to which "theſe effects are to be aſcribed?

"The

* Cap. xxxi. an. 26. Geo. III.

"The firſt, and moſt obvious anſwer, "which every man's mind will ſuggeſt to "this queſtion, is, that it ariſes from the "natural induſtry and energy of the coun- "try: but what is it which has enabled "that induſtry and energy to act with ſuch "peculiar vigour, and ſo far beyond the "example of former periods? The im- "provement which has been made in the "mode of carrying on almoſt every branch "of manufacture, and the degree to which "labour has been abridged, by the inven- "tion and application of machinery, have "undoubtedly had a conſiderable ſhare in "producing ſuch important effects. We "have, beſides, ſeen, during theſe periods, "more than at any former time, the effect "of one circumſtance which has princi- "pally tended to raiſe this country to its "mercantile pre-eminence;—I mean that "peculiar degree of credit, which, by a "twofold operation, at once gives addi- "tional facility and extent to the tranſac- "tions of our merchants at home, and en-

"ables

" ables them to obtain a proportional ſupe-
" riority in markets abroad. This advan-
" tage has been moſt conſpicuous during
" the latter part of the period to which I
" have referred, and it is conſtantly in-
" creaſing, in proportion to the proſperity
" which it contributes to create.

" In addition to all this, the exploring and
" enterpriſing ſpirit of our merchants has
" been ſeen in the extenſion of our naviga-
" tion and our fiſheries, and the acquiſitions
" of new markets in different parts of the
" world; and undoubtedly thoſe efforts
" have been not a little aſſiſted by the ad-
" ditional intercourſe with France in con-
" ſequence of the Commercial Treaty; an
" intercourſe which, though probably
" checked and abated by the diſtractions
" now prevailing in that kingdom, has fur-
" niſhed a great additional incitement to
" induſtry and exertion.

" But there is ſtill another cauſe, even
" more

" more ſatisfactory than theſe, becauſe it is
" of a ſtill more extenſive and permanent
" nature; that conſtant accumulation of
" capital;—That continual tendency to in-
" creaſe, the operation of which is univer-
" ſally ſeen in a greater or leſs proportion,
" wherever it is not obſtructed by ſome pu-
" blic calamity, or by ſome miſtaken and
" miſchievous policy; but which muſt be
" conſpicuous and rapid, indeed, in any
" country which has once arrived at an
" advanced ſtate of commercial proſperity.
" Simple and obvious as this principle is,
" and felt and obſerved as it muſt have
" been in a greater or leſs degree, even
" from the earlieſt periods, I doubt whe-
" ther it has ever been fully developed and
" ſufficiently explained, but in the wri-
" tings of an Author of our own times,
" now unfortunately no more, (I mean the
" Author of the celebrated Treatiſe on the
" Wealth of Nations), whoſe extenſive
" knowledge of detail, and depth of philo-
" ſophical reſearch, will, I believe, furniſh

" the

" the beſt ſolution to every queſtion con-
" nected with the hiſtory of commerce, or
" with the ſyſtem of political œconomy.
" This accumulation of capital ariſes from
" the continual application of a part, at
" leaſt, of the profit obtained in each year, to
" increaſe the total amount of capital to be
" employed in a ſimilar manner, and with
" continued profit, in the year following.
" The great maſs of the property of the
" nation is thus conſtantly increaſing at
" compound intereſt; the progreſs of
" which, in any conſiderable period, is
" what, at firſt view, would appear incre-
" dible. Great as have been the effects of
" this cauſe already, they muſt be greater
" in future; for its powers are augmented
" in proportion as they are exerted. It
" acts with a velocity continually accele-
" rated, with a force continually increa-
" ſed.

" Mobilitate viget, viresque acquirit eundo *."

This

* See Mr Pitt's Speech, printed by authority for G. G. and J. Robinsons, 1792, p. 36.

This was the prelude to a legiſlative arrangement, which devoted the annual million to be accumulated till it produced L. 3,000,000 *per annum* over and above the yearly million, and the produce of the annuities which would fall into the public; and alſo to a proviſion, compelling one *per cent.* to be ſet aſide annually for accumulation on the capital of all debt which ſhould in future be contracted.

L. 400,000 additional was likewiſe given to the accumulating fund this year, which laid the foundation of another annual grant of L. 200,000.

But the effects of this admiration of the benefits derived from a ſyſtem of accumulation did not terminate here. The ſame Miniſter, in the year 1799, impoſed an Income Tax, which he calculated would produce L. 10,000,000 annually *; and an act was

* See APPENDIX, No. IV. being the Computation of Income by Mr PITT, as ſtated by Lord AUCKLAND, in his Speech,

was paſſed, appropriating the produce of this tax on the return of peace to accumulation, till it ſhould amount to a ſum ſufficient to redeem the debt ſubſequently to be contracted during the war.

The accumulating fund created in the year 1786, together with the addition derived from the arrangement made in the year 1792, by this time amounted annually to a ſum ſuch as enabled the public to foreſee, that before the probable return of peace, it would produce L. 5,000,000 annually.

Under the law of this country, therefore, as it was then conſtituted, had this income tax produced L. 10,000,000, L. 15,000,000 of the revenue of the country would, on the return of peace, have been devoted to accumulation.

This

Speech, printed by authority, 1799. And alſo by Mr Rose, Appendix, No. 7. of his Brief Examination.

This ſtatement will not, in ſubſtance, be contradicted either by Mr PITT * or his admirers †. He took credit to himſelf for the device; and they uniformly aſſerted, that the merits of the plan, which they ſtated to be of more importance to Great Britain than the poſſeſſion of all the mines of America, would hand down his name

* See Reſolution on the State of Finance, 19th and 20th, propoſed by Mr PITT, and agreed to by the Houſe of Commons, 1801.'

† "But the farther reſulting advantages are infinitely more important. It is not amongſt the leaſt of thoſe "advantages, that by the preſent plan, the ſalutary effects "of the ſinking fund are greatly accelerated. The ſums "of different deſcriptions to be reſerved and applied by "the Commiſſioners for the redemption of the national "debt, will, in the firſt year of peace, be not leſs than *fif-* "*teen millions, or nearly* L. 50,000 *a-day*, for three hun- "dred days in the year. The operation of ſuch a ſum "brought daily into the market to purchaſe ſtock, which "is to be extinguiſhed, and not to return to, cannot fail to "have an effect in favour of our public credit, as much "beyond all calculation as it will be beyond all experi- "ence." See the Subſtance of Lord AUCKLAND's Speech, printed by authority, p. 22.

name with glory to poſterity *.—This, too, was the object of thoſe daring projectors of the Tower of Babel, who are recorded in ſacred hiſtory to have ſaid, "Go "to, let us build us a tower whoſe top may "reach unto heaven, and let us make us a "name." And ſtriking as the ſimilarity may be in the object, there will be found a ſtill more glaring reſemblance in the deſign.

Had an opportunity exiſted, in profound peace, of applying this ſum of L. 15,000,000, but for two years, to the uſes to which by law it was appropriated, the ruin it muſt have produced would have practically exhibited and explained the folly of the attempt. But as we have had no opportunity of learning from experience the conſequences of the meaſure, it will require

* See CHALMERS's Eſtimate of the Strength of Great Britain, p. 183. See alſo the Brief Examination into the Increaſe of the Revenue, Commerce, &c. by Mr ROSE.

quire a little inveſtigation to diſplay them.

Before, however, proceeding to this inquiry, leſt the reader ſhould be diſpoſed to think, with the generality of mankind, that what is true in figures, and the reſult of accurate calculation, muſt be true in practice, and poſſible in execution; he is deſired to reflect, that one penny put out, at our Saviour's birth, at 5 per cent. compound intereſt, would, before this time, have increaſed to a greater ſum than could be contained in five hundred millions of earths, all of ſolid gold; and that this is a calculation as accurate, and as true, as any with which Parliament has been furniſhed in the progreſs of this deluſion *.

* "One penny put out at our Saviour's birth, to 5 per "cent. compound intereſt, would, in the preſent year, "1781, have increaſed to a greater ſum than would be "contained in two hundred millions of earths, all ſolid "gold. But if put out to ſimple intereſt, it would, in the "ſame

If L. 15,000,000 a-year extraordinary were levied by the Government from the revenue of its ſubjects, to defray the charge of warfare or any other extraordinary expenditure; as this money would be expended in articles of conſumption, as faſt as aſſumed, the expence of the Government would effectually counteract the effects of the parſimony it renders neceſſary, and creates in the ſubject. The only miſchief, therefore, that could enſue, would ariſe from

" ſame time, have amounted to no more than 7 s. 6 d. " All Governments that alienate funds deſtined for reim- " burſements, chooſe to improve money in the laſt rather " than in the firſt of theſe ways." Obſervations on Reverſionary Payments, &c. by RICHARD PRICE, D. D. p. 228.

That the reader may ſee a lively picture of the abſurd length to which the ſpeculations of increaſing the wealth of mankind, by accumulation of capital, have been carried, we have, in APPENDIX, No. V. printed the teſtament of Mr FORTUNE RICARD, teacher of arithmetic at D——, read and publiſhed at the Court of Bailiwick of that town, the 19th Auguſt 1794, tranſlated by Dr PRICE.

from the extenſive demand it muſt ſuddenly occaſion for one claſs of commodities, and from the conſequent abſtraction of ſo large a portion of the revenue of the ſubjects from the acquiſition of thoſe articles in which it is uſually expended,—a miſchief in itſelf nowiſe trifling, as recent experience has taught the merchants of this country *.

Very different, however, muſt have been the effect of raiſing fifteen millions for the purpoſe of accumulation, or of forcibly converting fifteen millions of revenue into capital. In this, as in the former caſe, there would have enſued all the miſchief occaſioned by abſtracting a portion of demand repreſented by fifteen millions a-year, from the commodities which the ſubjects were accuſtomed to acquire with this part of their revenue: but, in this caſe, there would unfortunately have exiſted no extraordinary expenditure, to counteract the full effects of this forced parſimony; for it would have been difficult

* See page 91.

difficult to perſuade the proprietors of ſtock, from whom ſuch extenſive purchaſes would have been made by the Commiſſioners of the Sinking Fund, all at once to ſpend, as revenue, that which habit had taught them to regard as capital; or, in other words, all at once to ruin themſelves, in order to counteract the bad effects of this miſerly policy in Government.

Unleſs, however, the ſtockholder could have been perſuaded thus to expend his capital, fifteen millions a-year leſs muſt have been expended in the different articles the country produced or manufactured; that is, a portion of demand would at once have been withdrawn from commodities of Britiſh growth or manufacture, nearly equal to the whole demand created by the foreign trade of the country in the year 1786, when the million was firſt ſet aſide to accumulate, as the exports from England amounted in that year to the ſum of L. 15,385,987.

But if it is true, (which all writers on political

political œconomy, however much they may differ on other ſubjects, concur in aſſerting *), that the whole quantity of induſtry employed to bring any commodity to the market, naturally ſuits itſelf to the effectual demand, and conſtantly aims at bringing the preciſe quantity thither that is ſufficient to ſupply the demand; it follows,

 that

* *Que la totalité des ſommes du revenu rentre dans la circulation annuelle, et la parcoure dans toute ſon étendue; qu'il ne ſe forme point de fortunes pécuniares, ou du moins qu'il y ait compenſation entre celles qui ſe forment et celles qui reviennent dans la circulation; car autrement ces fortunes pécuniaires arrêteroient la diſtribution d'une partie du revenu annuel de la nation, et retiendroient le pécule du Royaume au préjudice de la rentrée des avances de la culture, de la retribution du ſalaire des artiſans, et de la conſommation que doivent faire les differentes claſſes d'hommes qui exercent des profeſſions lucratives: Cette interception du pécule diminueroit la reproduction des revenus.* ["] It is neceſſary that the ſum-
" total of the revenue ſhould enter into the annual cir-
" culation, and pervade it in its utmoſt extent; that no
" pecuniary fortunes be formed, or, at leaſt, that there be
" a compenſation between thoſe that are formed, and thoſe
" which, from extravagance, return into the circulation;
" for, otherwiſe, the amaſſing of pecuniary fortunes would
" impede the diſtribution of a part of the annual revenue
" of the nation, and hold back part of the circulation of
" the nation, to the prejudice of the advances neceſſary for
" the

that this diminution of demand muſt occaſion a ſimilar diminution of the productions of the country.

Though the opinions of great and eminent men are here referred to for eſtabliſhing the poſition, that a diminution of demand muſt occaſion a diminution of produce, that is, of wealth; it is not on authority alone that this inference reſts. The reaſons why it muſt happen have been ſtated, and the progreſs

" the conduct of agriculture, of the recompence of the ſa-
" lary of the artiſans, and of the conſumption incident to
" the different claſſes of men who exerciſe lucrative pro-
" feſſions: and this reduction would inevitably diminiſh
" the revenue reproduced." *Maximes Générales du Gouvernement Economique, par* QUESNAY.

Le revenu eſt donc le canevas de la dépenſe proprement dite. Il importe que le revenu ſoit dépenſé, car toute épargne ſur le revenu eſt diminution de dépenſe, et par une ſuite directe de production et de revenu. " The revenue, then, properly ſpeaking, is
" the groundwork of the expence. It is neceſſary that the
" revenue ſhould be expended; for every ſaving in the re-
" venue occaſions a diminution of expenditure, and, by
" direct conſequence, of production and of future reve-
" nue." *Philoſophie Rurale, ou Economie Générale et Politique de l'Agriculture*, p. 48. See alſo Wealth of Nations, vol. 1, p. 70. 4to edit.

greſs that a diminution of demand would probably make, in curtailing the production of commodities, was traced out in the caſe of a ſuppoſed diminution of demand for butchers-meat, wine and muſtard *; and the ſame reaſoning is applicable to every article of the produce of any country for which there exiſts a failure of demand.

But if this effect neceſſarily attends a diminution of demand, which not only reaſon, but the authority of all eminent men, concurs in ſaying muſt enſue; an abſtraction of demand, to the extent of fifteen millions, muſt have occaſioned a ſimilar deficiency of annual production. It follows, therefore, that three hundred millions (calculating the value of the fifteen millions of produce which muſt have been annihilated, at twenty years purchaſe) of real wealth would have been extinguiſhed, before this accumulating fund, with all its boaſted activity, could have in all probability converted one hundred millions of the revenue into capital.

In

* See page 87.

In truth, the effects of this diminution of demand to the extent of fifteen millions, would have been much more formidable than what is here repreſented; becauſe it has already been eſtabliſhed, that the diminution in value of every commodity, occaſioned by the diminution of demand, muſt be always much greater than the value of the demand abſtracted *.

Diſmal as the conſequences of this experiment muſt have been in diminiſhing the reproduction and revenue, there appear, on the other hand, no good effects likely to have reſulted from it in relation to the capital of the country, to counteract its evil effects on the revenue.

The ſtockholders, who would have been tempted to ſell by the offer of the Commiſſioners of this Sinking Fund, would, it is evident, have had in their poſſeſſion fifteen millions of capital, upon the employment of which in ſuch a manner as to return a profit,

* See page 89.

ſit, their income, that is, their ſubſiſtence, muſt have depended. To acquire a profit, we know that capital muſt be employed to ſupplant or perform a portion of labour, in producing or giving form to commodities; and it is hardly poſſible to ſuppoſe, that there could have exiſted any new channels of ſo employing capital, at a moment when there was forcibly created a diminution of demand for commodities, to the extent of fifteen millions.

So far from its being reaſonable to ſuppoſe there could have exiſted, under ſuch circumſtances, any opportunity of employing an additional quantity of capital, it is certain, that ſo great a diminution of demand muſt have thrown out of employ ſome of that capital which was uſeful in ſupplanting labour, in the progreſs of bringing to market thoſe commodities, for which there could no longer have ſubſiſted a demand.

The only means, therefore, thoſe ſtockholders could have had of forcing the capital

tal in their hands into employment, muſt have been by offering to ſupplant labour, at a cheaper rate than that at which it was antecedently performed. A competition would thus have ariſen; the profit of capital muſt have been diminiſhed; the intereſt paid for ſtock or money muſt have fallen, and of courſe the value of fixed annuities, or Government ſecurities, muſt have riſen: and this muſt have continued progreſſively, till capital became ſo abundant, and its profits ſo diminiſhed, that the proprietors would have been induced to remove it to other countries, where higher profits might be made; and France would inevitably have been amply ſupplied with capital, the want of which is the great drawback on her induſtry.

Neither is it theory alone which points out theſe evils, as the neceſſary reſult of ſuch a meaſure; for, as far as practice gives us an opportunity of judging, the accuracy of the inference is uniformly confirmed by experience. When Pope INNOCENT XI. reduced

reduced the intereſt of his debt from 4 to 3 *per cent.*, and employed the ſum ſaved to accumulate, but a ſhort time elapſed till the new 3 *per cent.* fund ſold at one hundred and twelve. In like manner, when the intereſt of the national debt of England was reduced, in 1717, from 6 to 5 *per cent.*, and the ſaving devoted to accumulation; the conſequence was, that in 1727, from the riſe of public ſecurities, there was an opportunity of again reducing the intereſt from 4 to 3 per cent., and of applying an additional ſum to accumulate. This, of courſe, produced another riſe, and to ſuch a degree, that in the year 1733, we learn from authority, that "the ſinking fund "was now grown to a great maturity, and "produced annually about L. 1,200,000; "and was become almoſt a terror to all the "individual proprietors of the public debt. "The high ſtate of credit, the low rate of "intereſt of money, and the advanced price "of all public ſtocks and funds above par, "made the great monied companies, and

"all

" all their proprietors, apprehend nothing " more than being obliged to receive their " principal too faſt; and it *became almoſt the* " *univerſal conſent of mankind, that a million* " *a-year was as much as the creditors of the* " *public could bear to receive* in diſcharge of " part of their principal *."

Nothing can more forcibly illuſtrate the truth of the opinions which have been ſtated, than what Sir ROBERT WALPOLE here affirms. If he had been aware of the nature and the foundation of the profit of ſtock; if he had perceived the effects of forced parſimony, not only in depreciating thoſe commodities from which it abſtracts a portion of demand, but even in depreciating that for which it creates a demand; if he had written on purpoſe to ſupport and illuſtrate the theory here built upon, he could not have done it with more effect than by ſtating, " that a million a-year became as " much

* Conſiderations concerning the Public Funds, the Public Revenues, and the Annual Supplies, by Sir ROBERT WALPOLE, p. 56.

" much as the creditors of the public could " bear to receive."

It is remarkable, too, that this is almoſt the only fact in the whole pamphlet, to the truth of which his adverſary, in his reply, ſeems to ſubſcribe *. And, indeed, Mr HUME, nearly twenty years afterwards, plainly ſhews, that he was aware of that circumſtance, by ſtating, that " in times " of peace and ſecurity, when alone it is " poſſible

* " You tell us, that the public creditors were ſo far " from making any proviſion for themſelves, either in " their ſeparate or their corporate capacity, that the ſink- " ing fund ſhould be applied to the diſcharge of their " principal, that, whenever it hath been applied to this " purpoſe, the only conteſt between them hath been, who " ſhould not be paid.

" In another place you tell us, That the South Sea " Company were ſo far from looking upon their being " firſt paid off, as a privilege or beneficial preference, that " they expreſsly provided againſt it: This, again, is very " true, nor have we denied it." The Caſe of the Sinking Fund, being a full reply to a late pamphlet, entitled, Some Conſiderations, &c. p. 27.

" poſſible to pay debt, the monied intereſt " are averſe to receive partial payments, " which they know not how to diſpoſe of " to advantage *."

Further, the doctrine here maintained derives ſtrong and ample confirmation from the gradual and progreſſive effect which the following ſtatement ſhews the ſinking fund to have had on the price of public ſecurities during the laſt peace.

STATEMENT, ſhewing the Prices at which 3 *per cent.* Stock was bought by the Sinking Fund, in every Quarter, from the beginning of the Year 1787 to the end of the Year 1792.

1787.		1788.		1789.	
Qr.	Pr.	Qr.	Pr.	Qr.	Pr.
2. ending Jan. 31.	74 1/2	6. -	76	10. -	73 1/2
3. - Apr. 30.	76	7. -	75 1/2	11. -	74
4. - July 31.	74 1/2	8. -	74 1/2	12. -	76 1/4
5. - Oct. 31.	71 1/2	9. -	74 1/2	13. -	80 1/8

1790.		1791.		1792.	
Qr.	Pr.	Qr.	Pr.	Qr.	Pr.
14. ending Jan. 31.	78	18. -	79 1/8	22. -	88 1/2
15. - Apr. 30.	78 7/8	19. -	79 1/2	23. -	96 1/2
16. - July 31.	73 1/4	20. -	81 1/2	24. -	90 1/2
17. - Oct. 31.	76 1/8	21. -	88 1/4	25. -	90 1/2

Yet

* See a note to the firſt edition of Mr HUME's Diſcourſe on Public Credit, which is ſuppreſſed in the later editions.

Yet during theſe ſix years, one would have imagined, that ſo many opportunities muſt have occurred of employing capital in new channels, that the accumulating fund being abſorbed in new adventures, could not have diminiſhed the value, that is, the intereſt of capital; for the number of incloſure bills, of road and canal bills, never was ſo great in ſo ſhort a time*, whilſt the

* TABLE, ſhewing the Number of Acts of Parliament for Roads, Bridges, &c. which paſſed in each of the following Years.

	1785	1786	1787	1788	1789	1790	1791	1792	Total.
Roads and bridges, -	31	40	30	37	36	30	44	54	302
Canals, harbours, &c. -	7	4	3	5	6	9	13	17	64
Incloſures, draining, &c. -	22	25	19	36	36	27	39	41	245
Paving and other parochial improvements, -	20	14	14	14	18	20	20	19	139
The total,	80	83	66	92	96	86	116	131	750

the increaſe of our exports *, of the tonnage of our ſhipping †, as well as the extenſion of machinery in every branch of manufacture, was equally remarkable; and it is certain, that the increaſe of produce and manufactures muſt have required an additional capital to circulate them.

Experience, however, ſhews us, that this was not the caſe. Stocks roſe from 74 to 96; that is, the intereſt or value of capital ſunk from four pounds one ſhilling and one penny, to three pounds two ſhillings and ſixpence *per annum*; yet there was then only L. 1,000,000 a-year ſet aſide for

* Amount of the Exports from Great Britain in the following years.

Year.	L.	Year.	L.	Year.	L.
1786,	16.300,725	1789,	20,013,297	1791,	22,731,994
1787,	18,296,166	1790,	20,120,120	1792,	24,905,200
1788,	18,124,082				

† Account of the Tonnage of Britiſh Shipping cleared outwards in the following years.

Year.	Tons.	Year.	Tons.	Year.	Tons.
1786,	982,132	1789,	1,343,800	1791,	1,333,106
1787,	1,104,711	1790,	1,260,828	1792,	1,396,003
1788,	1,243,206				

for accumulation, and the whole ſum accumulated during the five years, amounted to L. 5,424,592 *; that is, to little more than a third of that which the temerity of Mr PITT projected, on the firſt year of the return of peace, to abſtract from expenditure in the acquiſition of commodities the produce and growth of the country, and to convert into capital.

In the receipt of the income-tax, Mr PITT, however, was diſappointed: it never much exceeded five millions and a half †. But if he had remained Miniſter, and we had enjoyed peace, a ſum to this amount would, till the year 1811, have been applicable to accumulation, over and above the

* Report of the Select Committee, relating to the Public Income and Expenditure, 1791: Appendix X. No. 1.

† The receipt of the Income Tax for one year, ending 5th April 1801, amounted to L. 5,741,150—See Reſolutions voted by the Houſe of Commons.

ſum of L. 5,585,572 *, applicable to that purpoſe at the time peace was reſtored; that is, a ſum of upwards of L. 11,000,000 would have been annually withdrawn from expenditure on commodities, the produce and manufacture of the country, and applied by law to accumulation;—a ſyſtem which never could have been carried into execution, without effecting the ruin of the country, both by the diminution it muſt have occaſioned of its produce and manufactures, and by the means it muſt have afforded of aggrandizing our enemies, by furniſhing them with capital.

The income tax has now been repealed, and the ſinking fund is new-modelled by the 42. GEO. III. cap. 71. By this law, the Sinking Fund eſtabliſhed in 1786, and that

* See No. 13. Accounts preſented to the Houſe of Commons, reſpecting the public funded debt, and the reduction thereof, 1802.

that of the year 1792, the Old and New Sinking Funds, as they are called, are conſolidated; the proviſions concerning the old ſinking fund, as to the application of the intereſt after it amounted to three millions, are done away; the annuities, as they expired, are directed to be no longer carried to the account of the Commiſſioners; one *per cent.* on a new loan is rendered unneceſſary; the L. 200,000 annually granted is made a permanent grant; and the produce of both the new and the old fund is made applicable to accumulate at compound intereſt, till the debt, amounting, at the time of paſſing the act, to L. 488,987,656 *, is extinguiſhed.

Even now, then, on the return of peace, as the law ſtands, there will be an accumulating fund of more than ſix millions *per*

 annum.

* See No. 13. Accounts preſented to the Houſe of Commons, reſpecting the public funded debt, &c. 1802.

annum *. Six millions muſt, therefore, be withdrawn from the acquiſition of commodities, the growth and manufacture of the country, and forcibly converted into capital; a ſituation which will require much attention from thoſe who have the management of the country at the time. It is an experiment hitherto untried. The accumulating fund has riſen to this magnitude during warfare; and the effects of accumulation, during war, are more than counteracted by the extraordinary expenditure it occaſions. The accumulating fund now provided by law, is nearly ſix times greater than any of which we have had experience during peace. Indeed, it amounts, in one year, to a ſum almoſt equal to all that was accumulated betwixt the year

* The ſum to be expended in the preſent quarter, by the Commiſſioners of the Sinking Fund, is L. 1,668,161, 12 s. 1 d.

year 1717 and the year 1732 *; which reduced the value of capital from 6 to 3 *per cent.*; for, in this laſt year, 3 *per cents.* were at one hundred and one. It is larger, too, than the ſum-total of what was accumulated during the laſt peace †, and the 3 *per cents.* were then gradually raiſed from ſixty to nearly one hundred; that is, the value of capital was reduced from 5 to 3 *per cent.*

Thoſe, therefore, who have the management of the Public Treaſury on the return of peace, muſt be careful, on the one hand, leſt, from the abſtraction of demand to the amount of ſix millions, the price of com-

 modities

* The ſum-total applied for this purpoſe, during that period, amounted to L. 6,464,132. See SINCLAIR's Hiſtory of Public Revenue, Part II. p. 122.

† The ſum iſſued to the Commiſſioners of the Sinking Fund betwixt the 1ſt of Auguſt 1786, and the 1ſt of Auguſt 1791, amounted to L. 5,424,592. Report of the Committee of the Houſe of Commons on the Public Expenditure, 1791: App. X. No. 1.

modities be reduced to ſuch a degree as to diſcourage reproduction; they muſt be cautious not to miſtake, for the effects of abundance, that which in reality may be only the effect of failure of demand. On the other hand, they muſt be ſcrupulouſly attentive to the effects of this forced increaſe of capital; for if 3 *per cents.* ſhould by this means be quickly raiſed to par, or, in other words, if the value of capital ſhould be reduced from upwards of 5 *per cent.* to 3, and the ſame cauſes continue to operate its farther reduction, in the preſent ſituation of Europe it will inevitably furniſh our enemies with what will render them moſt formidable.

That both theſe conſequences muſt enſue is undoubted, and that, too, with a degree of unexpected rapidity. Of the abſtraction of demand to the amount of ſix millions a-year, from goods the growth and produce of the country, we have no experience; neither have we experience of the effects of forcibly adding ſix millions annually

annually to the capital of the nation: but ſince there exiſted an accumulating fund in this country, ſix millions have never been accumulated by the public even in a courſe of years, without creating ſuch abundance of capital in proportion to the demand for it, as to reduce its value to 3 *per cent. per annum.*

That the preſent ſituation of the country is different from what it was at any former period, is moſt certain. That it may, therefore, be able to ſuſtain a larger accumulation than formerly, is probable; but accumulation of capital muſt at all times have its bounds, beyond which if it is enforced, the conſequences which have been ſtated muſt inevitably be produced.

We already know, that the value of capital may be reduced from 6 to 3 *per cent.* by forced accumulation; and it is impoſſible to ſay how low it may be brought, by the continued progreſs of accumulation, which

which increaſes the quantity of capital; whilſt, far from increaſing, (by the effect it has of abſtracting revenue from expenditure in conſumable commodities, and conſequently of abridging conſumption), it inevitably diminiſhes the demand for it.

If, indeed, the whole of the capital which muſt by this means be created, could poſſibly be kept within the country, it is demonſtrable, that before any conſiderable progreſs could be made in this ſyſtem of accumulation, the value of capital muſt be reduced to a trifle.

How far ſuch an abundance of capital, if produced univerſally over the world by the increaſed induſtry of man, directed to the production and formation of thoſe things every way uſeful to ſupplant and perform labour, *(the ſole method in which the capital of a country ought to be increaſed)*, would be beneficial, is a queſtion we are not here called upon to agitate.

What

What is affirmed, and what we have attempted to eſtabliſh by argument, is, that a nation, in the circumſtances and ſituation of the Britiſh Empire, cannot, with impunity, either forcibly abſtract a ſum ſo large as has been propoſed, from expenditure in conſumable goods of its produce and manufacture; or forcibly accumulate its capital with ſuch rapidity.

For no nation, without injury to the progreſs of its wealth, can thus rapidly increaſe its capital, at the expence of abſtracting annually ſo large a ſum from expenditure in conſumable commodities; and, in the preſent ſituation of Europe, if this country could, by parſimony, render capital ſo abundant; as it is impoſſible to prevent the removal of it, it would be relatively injurious to our intereſt; for the ſituation of other nations, and thoſe, too, whoſe intereſts, at preſent, we would leaſt wiſh to promote, is ſuch, that they would derive

derive more benefit from it than would result to the Britiſh Empire.

In truth, though Parliament has formally announced, by an act of the Legiſlature *, the extinction of the national debt in forty-five years; or, in other words, the deſign of abſtracting from expenditure, and forcibly converting into capital, within that period, a ſum amounting nearly to five hundred millions; that is, to more than ſix times what has been eſteemed the amount of the whole capital now employed in the conduct of our foreign trade †;—that act, ſooner or later, muſt be reconſidered: for the impoſſibility of accumulating a penny till it amounts to the value of five hundred millions of earths of ſolid gold,

* See APPENDIX, No. VI. containing extracts of cap. 71. 42. GEO. III.

† See Mr PITT's Computation, APPENDIX, No. IV.

gold, is not more apparent, than the impoſſibility, without the ruin of the country, of abſtracting from expenditure, in its goods and manufactures, a revenue ſo large as L. 5,585,572, and that, too, annually increaſing at compound intereſt for forty-five years *.

Nothing, indeed, can be more abſurd, than the golden dreams with which Parliament and the nation have been amuſed, through the medium of the calculations that have been formed on this ſubject †.

Perhaps

* See APPENDIX, No. VII. where a ſtatement is given of the ſum that, under this ſyſtem, if purſued, muſt every half year be abſtracted from expenditure in goods the produce and manufacture of the country, and forcibly converted into capital during the forty-five years, which, before the expiration of that term, will be found to amount to upwards of L. 20,000,000 *per annum*.

† See APPENDIX, No. VIII. containing a ſtatement preſented to the Houſe of Commons 7th April 1802, of the amount of ſtock which will be purchaſed in forty-five and forty-ſix years, at the ſeveral rates of intereſt 3, 3¼, 3½, 3¾, and 4 *per cent.* by a ſinking fund of L. 5,585,572 *per annum*.

Perhaps it may with reaſon be thought, that nothing could be more unfortunate than the faith that ſeems to be repoſed in them.

For though the Sinking Fund, the offſpring of this deluſion, never can, without ruining the country, be accumulated to an amount equal to the debt of the nation, yet its exiſtence has greatly facilitated the contracting of debt; that is, it has enabled thoſe who had the management of the Government more completely to derange the natural and moſt advantageous diſtribution of the property of the country; —that diſtribution, which, giving to the poſſeſſor the greateſt real intereſt in the property he has to manage, affords the greateſt encouragement to thoſe exertions of induſtry in the conduct of it, which alike benefit the proprietor and the public.

The extreme importance of the ſubject alone

alone appears a ſufficient apology for having gone ſo much at length into the conſideration of the legiſlative proviſions for paying off the national debt. But, indeed, it was neceſſary, in giving an idea of the origin and progreſs of wealth, to ſhew that it can alone be increaſed by the means by which it is produced; and this could not be effected without inveſtigating the conſequences of parſimony, (which has been hitherto conſidered as the moſt active means of increaſing wealth), and without fully explaining why parſimony, when puſhed beyond a certain extent, whether private, or public, whether the effect of the depraved taſte of individuals, or of an erroneous ſyſtem of legiſlation, muſt be fatal to the progreſs of public wealth.

Having now endeavoured to do away the impreſſion which prejudice has created on this ſubject, we are at liberty to proceed to the conſideration of how far, and in what manner and proportions, the produce of

of land, and of labour, whether performed by the hand of man or by capital, contributes to the increaſe of national wealth; for as theſe conſtitute the ſole ſources of public wealth, ſo they muſt form the ſole means of increaſing it.

CHAP.

CHAP. V.

OF THE MEANS OF AUGMENTING WEALTH, AND THE CAUSES THAT REGULATE ITS INCREASE.

THOUGH land, labour and capital have been conſidered as forming the ſources of the wealth of mankind, and though we have endeavoured to eſtabliſh the opinion, that wealth can alone be increaſed by the means by which it is produced; it does not from thence follow, that land, labour and capital ſhould each of them afford means of increaſing wealth; far leſs that they ſhould, in different ſtages of ſociety, contribute to-

wards its increaſe, in any thing like ſimilar proportions.

It has already been obſerved, that in the early ſtate of his exiſtence, man muſt have derived a greater proportion of his wealth from land than at any ſubſequent ſtage of ſociety. To the produce of the earth, which nature preſented to his view, he muſt at firſt have had recourſe for the ſatisfaction of all his appetites and deſires.

His bodily labour, in this ſtate of ſociety, muſt, in its object, have been ſimilar to that of the other animals, calculated to appropriate and prepare for conſumption thoſe things which nature afforded; and, under ſuch circumſtances, the ſhare of his labour muſt have been ſmall, indeed, which could either be ſupplanted or performed by capital. The club with which he deſtroys his prey; the wooden knife with which he prepares it for conſumption; the hook with which he draws towards him, and appropriates

propriates the fruit of trees; the hatchet of ſtone with which he obtains and faſhions thoſe his rude inſtruments; form nearly the whole capital that the hiſtory of ſavage nations diſplays to our view.

Thus circumſtanced, like the reſt of the animal creation, on nature he depends alone for the means of continuing his exiſtence. The fertility of ſome ſeaſons beſtows an ample, the ſterility of others affords only a ſcanty ſupply; and man ſeems little to ſurpaſs other animals, either in dexterity in ſecuring the objects his appetites ſuggeſt as deſirable, or in ingenuity in preſerving and adapting them for conſumption.

Even in this ſtate, however, as an animal cannot be captured and appropriated, or a quantity of fruit collected and conveyed home without labour, his wealth cannot be conſidered as excluſively proceeding from land, though this is obviouſly the great and

principal ſource from whence he acquires it.

But the moment man appears in the ſtate of a ſhepherd or an huſbandman, we perceive his labour, whether performed by his hands or capital, taking a new direction, and acting in a ſphere peculiar to the human ſpecies.

It is no longer employed, like that of the other animals, in ſecuring or faſhioning the ſcanty ſupply which nature affords; but points itſelf to the more important object, of increaſing the quantity, and meliorating the quality, of thoſe productions of nature that are moſt deſirable to him.

The ſpontaneous produce of the earth, at firſt the chief ſource of his wealth, nowiſe contributes to the increaſe of it; for it is to his perſonal labour, and that performed by the capital he creates, to which he owes the augmented production of thoſe things,

the

the firſt ſupply of which he derived from nature.

The increaſe of the wealth of mankind may, therefore, be properly conſidered as ariſing from labour, whether perſonal or performed by capital, directed towards the increaſe of the quantity, and melioration of the quality, of the productions of nature; and from that deſcription of labour, whether performed by his hands or by capital, from which, in a certain degree, he, in common with other animals, derived the objects of his deſire from his earlieſt exiſtence; to wit, from labour, directed towards appropriating and adapting to conſumption what forms his wealth.

It muſt be obſerved, too, that this laſt ſource of the increaſe of the wealth of mankind, is, in the progreſs of ſociety, in ſome degree narrowed, as the productions of the ocean are almoſt the ſole objects of deſire, that, in the progreſs of ſociety, remain unappropriated.

In civilized ſociety, therefore, with the exception of what he derives from the ocean, the wealth of man can alone be increaſed:—

1. By labour, whether perſonal or performed by capital, employed in increaſing the quantity, and meliorating the quality, of the objects of his deſire; that is, *by agriculture.*

2. By labour, whether perſonal or performed by capital, employed in giving form to, and adapting commodities for, conſumption; that is, *by manufacturing induſtry.*

Though we have already vindicated manufacturing induſtry, from the attempts of ſome philoſophers, to prove that it is totally unproductive of wealth, it in truth, however, acts a very ſubordinate part in the formation of the increaſed wealth of every ſociety,

ſociety unſhackled by legal reſtrictions or forced diſtributions of property.

It is evident, that the wealth ariſing from giving form to, and adapting commodities for, conſumption, muſt depend upon the production of a ſufficient quantity of raw materials to be faſhioned, as well as upon the exiſtence of a ſufficiency of food and neceſſaries, for the ſuſtenance of thoſe who are ſo employed.

In civilized ſociety, the multiplied relations which the varied diſtributions of property create, tend to render the ſubject more obſcure. Perhaps, therefore, there is no means of forming a more accurate idea of the relative importance of agricultural and manufacturing induſtry, in increaſing the wealth of a community, throughout the whole progreſs of ſociety, than by conſidering the relative importance of land and labour, in the formation of wealth, antecedent to the period in which man directed

his labour to the object of increasing the quantity, or meliorating the quality, of commodities: for agricultural induſtry maintains, in all periods of ſociety, the ſame pre-eminent relation to manufacturing induſtry, in the formation of wealth, that land then bore to labour; as man, in that ſtate, derived from the ſpontaneous productions of the earth, accurately and diſtinctly, the ſame deſcription of wealth with which, at ſubſequent periods of ſociety, agricultural induſtry excluſively furniſhes him. Whilſt, in like manner, manufacturing induſtry contributes to his wealth in every ſtage of ſociety, comparatively in the ſame degree that labour, whether performed by his hands or by capital, did in that early and rude period of his exiſtence.

In different civilized ſocieties, the diſtribution of manufacturing induſtry, employed in preparing the produce of the earth for conſumption, is various. Great quantities of it, in ſome communities, are expended

pended for the ſatisfaction of the deſires of a few, whilſt the reſt of the ſociety unconſciouſly ſuffer, not only from the loſs of the ſhare of manufacturing induſtry, in adapting for conſumption what forms the objects of their deſire; but from a diverſion to the formation of thoſe things that are calculated to flatter the whims of the luxurious, of a part of the labour and capital that would be more advantageouſly employed in agricultural induſtry, for the purpoſe of procuring an ample ſupply of the neceſſaries of life.

Though, from this circumſtance, manufacturing induſtry, in ſome ſocieties, acquires an appearance of importance, yet the relation which, from the nature of things, agricultural and manufacturing induſtry muſt inevitably bear to one another, never can be altered.

In conſidering the increaſe of the wealth of

of mankind, it is the cauſes that regulate the diſtribution of induſtry, and the conſequences that ariſe from the manner in which it is diſtributed, that form by far the moſt intereſting objects of ſpeculation; and it is theſe which will here form the chief ſubject of conſideration.

Before, however, proceeding to this inveſtigation, the relative importance of labour and capital in increaſing wealth, whether employed in manufacturing or agricultural induſtry, preſents a queſtion which forces itſelf into conſideration by the manner in which it has been treated by almoſt all writers on political œconomy.

The dexterity that man acquires in performing labour, by confining himſelf to one particular branch, has been dwelt upon from the times of XENOPHON to the preſent day *.

This

* "Nor are theſe, which have been mentioned, the only "reaſons why the diſhes ſent from the king's table are "grateful

This idea has, indeed, been carried ſo far, that the legiſlation of ſome countries ſeems to have been conducted on the perſuaſion,

" grateful to thoſe who receive them; they are in themſelves
" far more delicious to the taſte than others. And, indeed,
" it is not ſurpriſing that this ſhould be the caſe: for as
" other arts are practiſed to much greater advantage in
" large cities, ſo the king's viands are dreſſed in the moſt
" exquiſite manner. For, in ſmall towns, the ſame
" perſons are employed to make a bedſtead, a door, a
" plough, a table:—(frequently, too, the very ſame man is
" a houſe-builder, and thinks himſelf well off if he thus finds
" a ſufficient number of employers to enable him to earn
" a livelihood: it is impoſſible, however, that a man prac-
" tiſing a great variety of trades can be expert in them
" all):—but in great cities, where there are many who
" have a demand for each article, an individual gets
" a ſufficient living by exerciſing a ſingle profeſſion:—
" and not even the whole of that; but one makes ſhoes for
" men, and another for women only. Sometimes, even,
" one man maintains himſelf by ſewing ſhoes, and another
" by cutting them out; one by cutting and ſhaping gar-
" ments, and another, without interfering with any other
" part of the buſineſs, by joining the pieces together. A
" man, therefore, who confines himſelf to one ſimple depart-
" ment of workmanſhip, muſt of neceſſity execute it in the
" beſt manner. The caſe is preciſely the ſame with re-

" ſpect

ſion, not only that labour was beſt performed when the attention is confined to one particular branch; but, on the belief that men acquire additional dexterity, in executing that

" ſpect to the preparing of food; for he who has but one " and the ſame perſon for his bed-maker, his butler, his " baker, his cook, and his caterer, muſt lay his account " with being but indifferently ſerved: but where the ſole " occupation of one perſon is to manage the boiling, and " of another the roaſting of the meat; where one is enga- " ged only in boiling, and another in frying fiſh; where " one makes bread, not of all ſorts, but reſtricts himſelf to " the furniſhing of one ſpecies of an approved good qua- " lity; it ſeems to me, that, while the work is thus arran- " ged, it muſt, in its ſeveral parts, be performed in the " moſt perfect manner." Cyrop. Book VIII.

This paſſage in XENOPHON was pointed out to me by my learned friend Profeſſor DALZEL; to whom I owe likewiſe the above tranſlation. See the original, APPENDIX, No. IX.

" The advantages accruing to mankind, from their " betaking themſelves ſeverally to different occupations, " are very great and obvious; for, thereby, each beco- " ming expert and ſkilful in his own particular art, they " are enabled to furniſh one another with the products of " their reſpective labours, performed in a much better " manner, and with much leſs toil, than any one of them " could do of himſelf." HARRIS's Eſſay on Money and Coins, Part I. p. 16.

that ſpecies of labour which they have ſeen performed from their earlieſt infancy. On this principle, profeſſions have been made hereditary, as was the caſe in Egypt, in ſome parts of India, and in Peru. But the inconveniencies of this ſyſtem are apparent, and the idea has been generally reprobated.

Of late years, however, great weight has been laid upon the advantages attending the diviſion of labour. The Author of the Wealth of Nations has, indeed, conſidered this circumſtance to be ſo important, as to declare, that "it is the great mul-"tiplication of the productions of all the "different arts, in conſequence of the di-"viſion of labour, which occaſions, in a "well-governed ſociety, that univerſal "opulence which extends itſelf to the "loweſt ranks of the people *."

The

* Wealth of Nations, vol. 1. p. 13. 4to edit.

The extreme importance of the diviſion of labour, in increaſing wealth, is an idea which appears to be derived from contemplating the number of diſtinct operations that contribute towards the formation of ſome of our moſt trifling manufactures, ſuch as the trade of pin-making, the profeſſion which is, indeed, generally reſorted to, to illuſtrate the importance of the diviſion of labour.

Even in the conduct of this manufacture, however, the advantage derived from any degree of habitual dexterity, that can be created by the diviſion of labour, or from the ſaving of time which would otherwiſe be loſt in paſſing from one ſpecies of work to another, nowiſe contributes towards expedition in forming the article, in compariſon of the circumſtance of ſupplanting and performing labour by capital. Without the machinery, which the faculty that man poſſeſſes of ſupplanting labour by capital introduces, no great progreſs, could

could have been made in the rapidity with which pins are formed; and one man, with the uſe of this machinery, though he goes through and performs all the operations himſelf, muſt, obviouſly, manufacture more pins in an hour, than would be formed in a month, or even in a year, by any number of men amongſt whom the labour could be divided, if unaided by the circumſtance of part of their labour being ſupplanted and performed by capital.

It is in truth the great and diſtinguiſhing advantage which man poſſeſſes of ſupplanting and performing labour by capital; in conjunction with the power of directing his labour to the increaſe of the quantity, and melioration of the quality, of the productions of nature; (both faculties peculiar to the human ſpecies), which form the means of procuring the wealth and comforts enjoyed by civilized ſociety.

In the annals of the tranſactions and negotiations

gotiations that have taken place between different nations on the ſubject of commercial arrangements, the danger of admitting a country to a commercial competition, becauſe the diviſion of labour was there carried farther than in any other, is a thing unheard of: whilſt the conſtant and uniform ground of objection, urged by men whoſe prejudices lead them to think that commerce may be conducted in a manner injurious to a nation, is the ſuperiority that the one country has over the other, derived from dexterity in ſupplanting and performing labour by capital *.

If, indeed, further confirmation was wanting, to eſtabliſh that this is the eſſential circumſtance which gives birth to all improvement in the execution of labour, it is amply to be found in every ſtatement that ever came from any man practically concerned

* See APPENDIX, No. X. containing extracts from two different memorials publiſhed in France at the time of the Commercial Treaty with this country.

concerned in any branch of manufacture; as it is uniformly to the introduction of ſome ſort of machinery, to the effects of the application of chemiſtry to manufactures, or to the increaſe or command of capital enabling the manufacturers to reduce the price, and by this means creating an augmentation of demand, to which the extenſion of ſales is attributed *: but if the explanation that has been given of the nature of the profit of ſtock is juſt and ſatisfactory, it follows, that attributing the ſucceſs of a manufactory to the command of capital, is, in other words, attributing it to the circumſtance of labour being ſupplanted by capital; as capital can alone be advantageouſly and profitably employed in performing this office.

It is regarding the diviſion of labour as the great ſource of human improvement,

* See, on this ſubject, APPENDIX, No. XI. where various examples in ſupport of this opinion are extracted from different commercial publications.

that has led the Author of the Wealth of Nations to ſtate, that "the impoſſibility of "making ſo complete and entire a ſepara- "tion of all the different branches of la- "bour employed in agriculture, is perhaps "the reaſon why the improvement of the "productive powers of labour in this art, "does not always keep pace with their im- "provement in manufactures *;" whereas, in reality, nothing exhibits in ſo ſtriking a point of view the improvement of the human race in the dexterous execution of labour, as the expedition and ſucceſs with which, by two or three individuals, a large field is prepared for the reception of ſeed, compared with the time that it would coſt ten times the number of men to do the ſame work, if unaided by the operation of capital in ſupplanting labour; and with the imperfect manner in which it would, after all, be executed, if the work was to be performed by the hand of man alone.

Nothing

* Wealth of Nations vol. II. p. 8. 4to edit.

Nothing has a more powerful effect in misleading even the best and most accurate understandings, than an anxious desire to maintain a favourite opinion, or to support a favourite theory; and there is perhaps no stronger illustration of this unfortunate tendency, than what is to be derived from the strained manner in which it has been attempted to establish the opinion, that the division of labour is the cause of that universal opulence which fortunately prevails in many civilized societies.

To impress this belief, the introduction of machinery has been stated as originally owing to the division of labour, of which it is considered as a mere consequence.

But, in truth, the history of man shews us, that the simplest and most efficacious machines for supplanting labour,—(instruments with which habit has so familiarized us, that we hardly dignify them with the name of machinery),—are introduced, at an

early period of ſociety when the diviſion of labour is comparatively unpractiſed and unknown, for the purpoſe of ſupplanting the perſonal labour of man in the conduct of agricultural induſtry;—an art which, though its pre-eminence in the production of wealth is acknowledged, (even by thoſe who wiſh to eſtabliſh, that the diviſion of labour is the great ſource of the increaſed opulence of mankind), is in no period of ſociety diſtinguiſhed by reaping benefit from the diviſion of labour *.

Neither

* "The ſuperiority which the induſtry of the towns "has every where in Europe over that of the country, is "not altogether owing to corporations and corporation "laws. It is ſupported by many other regulations. The "high duties upon foreign manufactures, and upon all "goods imported by alien merchants, all tend to the ſame "purpoſe. Corporation laws enable the inhabitants of "towns to raiſe their prices, without fearing to be under-"ſold by the free competition of their own countrymen. "Thoſe other regulations ſecure them equally againſt that "of foreigners. The enhancement of price occaſioned by "both, is every where finally paid by the landlords, farm-"ers,

Neither does it appear, that there is any ground for attributing to this circumſtance

 the

" ers, and labourers of the country." Wealth of Nations, vol. 1. p. 159. 4to edit.

" Land, mines and fiſheries, require all both a fixed " and a circulating capital to cultivate them; and their " produce replaces with a profit not only thoſe capitals, " but all the others in the ſociety." Ibid. p. 338.

" This impoſſibility of making ſo complete and entire a " ſeparation of all the different branches of labour em- " ployed in agriculture, is, perhaps, the reaſon why the " improvement of the productive powers of labour in this " art, does not always keep pace with their improvement " in manufactures." Ibid. p. 8.

" It is the great multiplication of the productions of all " the different arts, in conſequence of the diviſion of la- " bour, which occaſions, in a well-governed ſociety, that " univerſal opulence which extends itſelf to the loweſt " ranks of the people." Ibid. p. 13.

Though, from the two firſt of theſe paſſages, it appears, that land is conſidered by the Author of the Wealth of Nations, as the great, and almoſt ſole, ſource of wealth; and though, in the third paſſage, agriculture is ſtated to reap comparatively but little benefit from the diviſion of labour; yet, in the laſt, the diviſion of labour is deemed to be the cauſe of that univerſal opulence, which, in a well-governed ſociety, extends itſelf to the loweſt ranks of the people.

How can theſe opinions be reconciled?

the modern improvements of machinery, in the conduct of manufacturing induſtry. The diviſion of labour tends to confine the attention, and of courſe the knowledge of the workman, to the performing of one ſimple operation; whereas, the perfection of manufacturing machinery is to combine and embrace the execution of the greateſt poſſible variety of operation in the formation of a commodity, by the uſe of one machine *. It appears, therefore, that the habits of thinking, which the diviſion of labour tends to generate in the manufacturer, (if they have any effect on the invention

* Of this any one may be ſatisfied, who chooſes to look at the cottonmills now in uſe; or at the machines formed on the model of that at Derby, for the erecting of which, in 1734, Parliament rewarded Sir THOMAS LOMBE — "This machine is ſaid to have contained 26,586 wheels, "and 97,746 movements, that work 73,726 yards of ſilk "at every turn of the wheel; that is to ſay, 318,504,960 "yards in twenty-four hours, at three turns of the wheel "per minute." Advantages and Diſadvantages of Great Britain with regard to Commerce, p. 122. Lond. 1754.

vention and improvement of machinery), muſt be detrimental; as they are deſtructive of that train of thought which leads to the perfection of machinery.

The eagerneſs and anxiety of the Author of the Wealth of Nations, to enforce this his favourite opinion, has made him aſſert, that "a great part of the machines employed in thoſe manufactures in which "labour is moſt ſubdivided, were originally the inventions of common workmen, "who being each of them employed in "ſome very ſimple operation, naturally "turned their thoughts towards finding "out eaſier and readier methods of performing it*."

The inaccuracy of the fact cannot eſcape any one converſant with the hiſtory of machinery: but if it was true, it would unfortunately have, in ſome degree, the effect of overturning the very opinion it is meant to ſupport; as it would prove, that the divi-

* Wealth of Nations, vol. 1. p. 12. 4to edit.

ſion of labour had not the ſame happy effect in the improvement of machinery, that is is ſaid to have in the manufacture of other things; common workmen, or men who execute a variety of other work, having been more fortunate in inventing and improving machines than machine-makers, or men whoſe labour is ſolely confined to that particular employment.

The truth is, the diviſion of labour contributes (as is well illuſtrated in the paſſage of XENOPHON formerly referred to *) much more to the nice execution of ſome branches of refined manufacturing induſtry, than, as is generally conceived, to any branch of manufacturing induſtry being executed with great increaſe of rapidity. In this laſt reſpect, too, it may have ſome influence, in conſequence of its tendency to improve the dexterity of the workmen; but this circumſtance co-operates, in ſo ſmall a degree, with the power of performing labour by capital, in producing this effect, as nowiſe

* See page 282.

nowiſe materially to invalidate the general concluſion,—That it is to the characteriſtic faculty which man poſſeſſes, from the earlieſt period of his exiſtence, of applying mechanical principles to the conſtruction of tools and machines, calculated to perform and ſupplant labour, and to his powers of uſing capital for the ſame purpoſe, in all his commercial relations, as well as in every tranſaction which requires the exertion of labour, that he owes the eaſe and wonderful rapidity with which labour is executed; and, conſequently, that extended opulence which expands itſelf throughout civilized ſociety.

" It is evident, upon a moment's reflec-
" tion," (ſays an anonymous writer, who ſeems to poſſeſs a thorough knowledge of all our manufactures), " that almoſt every
" convenience and external comfort we en-
" joy, depends upon the ſingular ſkill of
" man, in the invention and uſe of ma-
" chines. By this ſkill our fields are culti-
" vated, our habitations are raiſed, our gar-
" ments are manufactured, our ſhips are
" built,

" built, and knowledge is acquired and dif-
" fused, in company with the general ad-
" vantages of commerce, from pole to pole.
" Read the history of mankind; consider
" the gradual steps of civilization, from
" barbarism to refinement, and you will
" not fail to discover, that the progress of
" society, from its lowest and worst, to its
" highest and most perfect state, has been
" uniformly accompanied, and chiefly pro-
" moted, by the happy exertions of man,
" in the character of a mechanic or engi-
" neer. Let all machines be destroyed,
" and we are reduced in a moment to the
" condition of savages; and in that state
" man may, indeed, exist a long time, with-
" out the aid of curious and complex ma-
" chines; though, without them they can
" never rise above it *."

When Mr HUME, in the middle of last century, supposed that the progress of human industry, in any country, was bounded

* Letters on the utility of employing Machines to shorten Labour, printed 1780.

ed and confined by the check it muſt receive from the augmentation of wages, and "that manufactures gradually ſhift their "places, leaving thoſe countries and pro- "vinces which they have already enrich- "ed, and flying to others, whither they are "allured by the cheapneſs of proviſions "and labour, till they have enriched theſe "alſo, and are again baniſhed by the ſame "cauſes*;" he did not ſufficiently attend to the unlimited reſources that are to be found in the ingenuity of man in inventing means of ſupplanting labour by capital; for any poſſible augmentation of wages that increaſed opulence can occaſion, is but a trifling drawback on the great advantages a country derives, not only from the ingenuity of man in ſupplanting labour by machinery, but from capital laid out in roads, canals, bridges, incloſures, ſhipping; and employed in the conduct of home and foreign trade, all of which is alike engaged in ſupplanting the neceſſity of paying the wages of labour.

The

* Diſcourſe on Money, p. 43. Edin. 1752.

The progreſs made of late years in Scotland, in the art of diſtilling ſpirits, affords a ſtrong illuſtration and example of the vaſt reſources of human ingenuity in abridging labour by mechanical contrivances.

In the year 1785, a propoſal was made to collect the duty on the manufacture of ſpirits in Scotland, by way of licence, to be paid annually for every ſtill, according to its ſize, at a fixed rate per gallon, in lieu of all other duties.

The London diſtillers, men the moſt experienced in their profeſſion, who agreed to the rate of the licence on the gallon, ſuppoſed to be equivalent to the former duties, declared themſelves from experience ſatisfied, that the time of working ſtills with benefit was limited to an extent perfectly well known, and that whoever exceeded theſe limits, would infallibly loſe, upon his materials and the quality of the goods, what he gained in point of time; and, in conformity to their opinion, the duty was,

in

in the year 1786, ſettled, upon the ſuppoſition that ſtills could be diſcharged about ſeven times in a week.

Two years after this, in a memorial preſented to the Lords Commiſſioners of the Treaſury, the ſame men alleged, that the Scotch diſtillers had, by the ingenuity of their contrivances, found means to diſcharge their ſtills upwards of forty times a week; and we ſince know, from a report made to the Lords Commiſſioners of the Treaſury, in the year 1799, that a forty-three gallon ſtill was brought to ſuch a degree of perfection, as to be diſcharged at the rate of once in two minutes and three quarters, which is almoſt twenty-two times in an hour *. It appears alſo from this report, that

* "In a letter which I received a few days ago from "Mr MILLAR, he informs me, That he has made a new "ſtill of the ſame kind, that contains only forty gallons in "the body, and three in the head, forty-three gallons in "all; and that the ſtate of working with this ſtill is as "follows: From the commencement of the charge till the "word

that the operation of diſtillation was capable of being performed in a ſtill ſhorter time, and that the quality of the ſpirit was nowiſe injured by the rapidity of the operation *.

Yet, in the conduct of this wonderful improvement in the manufacture of ſpirits, there was no aid derived from the diviſion of labour, nor could it once be thought of as a poſſible reſource.

Illuſtrations to the ſame effect might be brought from the wonderful improvements made

" word is given to let off, two one-fourth minutes; " time of diſcharging half a minute; making the time of " charging, running and diſcharging, two three-fourth mi- " nutes only, which is almoſt twenty-two times in an " hour." Memorial of Dr JEFFRAY reſpecting the Diſtillation of Spirits; Printed in the Appendix to the Report on the Diſtilleries of Scotland, 1799, p. 392.

* " Believing then, as I do, that the quality of the ſpi- " rits is not neceſſarily affected by the rapidity of the " diſtillation," &c. Ibid. p. 401.

made of late years in bleaching, dyeing, ſpinning, weaving, as well as in the manufacture of iron and copper, none of which derive, in their details, the ſmalleſt benefit from the diviſion of labour.

Though the diviſion of labour, therefore, may tend to produce ſuperior execution in ſome refined arts, it is with confidence we again repeat, that the univerſal opulence which extends itſelf over civilized ſociety, conferring "on the frugal European peaſant, comforts and accommodations exceeding thoſe of many an African king, the abſolute maſter of the lives and liberties of thouſands of naked ſavages *," is to be attributed to two circumſtances, both *peculiar to, and characteriſtic of, the human ſpecies;—To the power man poſſeſſes, of directing his labour to the objects of increaſing the quantity, and meliorating the quality, of the productions of nature;—and to the power of ſupplanting*

* Wealth of Nations, vol. i. p. 15. 4to edit.

ſupplanting and performing labour by capital.

As theſe great ſources of human improvement are common to all mankind, it becomes an intereſting object of inquiry,—Why all civilized ſocieties have not derived equal benefit from them?—and, What are the circumſtances that retard the progreſs of induſtry in ſome countries, and that guide its direction in all?

The effect of demand in regulating the quantity, the nature and the quality, of thoſe things which are produced by the labour of man, has been already pointed out and diſplayed. If the world had only one inhabitant, and if we could ſuppoſe that the time of this ſolitary individual was fully occupied in procuring and forming for himſelf the various objects of deſire he wiſhed to enjoy; it is evident, that a ſudden fancy to enjoy more of any one particular article than the portion of labour he employed

employed in obtaining it was capable of furniſhing, would create a neceſſity of his allotting, for this purpoſe, a farther portion of the time which he ſpent in procuring ſome leſs preſſing object of his deſire, in order that he might acquire an additional quantity of the commodity of which he deſigned to increaſe his conſumption.

Now, an increaſed demand has a direct tendency to produce the ſame effect in the arrangement of the labour of a ſociety, that ſuch a wiſh would produce in regulating the conduct of an individual.

The advanced price, in conſequence of an extenſion of demand, operates not alone as an encouragement to exertion in thoſe who manufacture the commodity; for it creates a neceſſity of abridging the conſumption of ſome leſs preſſing object of deſire, in order that the goods which were appropriated to acquire it, may be applied to pay the advanced price of the commo-

dity for which there exiſts an increaſed demand; and thus a quantity of labour is let looſe from the manufacture of thoſe things for which the demand is abridged, at the very time that its application is directed to, and encouraged in, the formation of that for which the demand is increaſed. By this means an alteration is produced in the arrangement of the labour of a ſociety, preciſely ſimilar to that which would be produced in the conduct of an individual, (whoſe time was fully occupied in procuring for himſelf the objects of his deſire), by a wiſh to increaſe his conſumption of any one article.

It is thus, (as has been already explained *), that demand as effectually regulates the diſtribution of induſtry in every ſociety, as the wiſhes and inclination of an individual decides his conduct, and directs his efforts. Whatever, therefore, fixes or determines the proportion of demand that exiſts for different articles of wealth in any ſociety,

* See page 108.

ſociety, muſt regulate the diſtribution of its induſtry.

Neither the private intereſts or prejudices of particular orders of men, nor the policy of different governments, can ſucceed in directing the induſtry of a country into any particular channel, but through the medium of augmenting the demand for the commodities which that ſpecies of induſtry produces. The deſpotic orders of a government, dictated by the vain ſpeculations of its rulers, if not calculated to make an alteration in demand, can produce no permanent effect on the direction of human induſtry. Pecuniary aid and aſſiſtance given to the manufacturer, may create, and even ſuſtain, a loſing trade; but demand alone can create a flouriſhing trade, or direct the permanent application of the induſtry of a country into any particular channel.

The firſt, and moſt important ſtep, there-

fore, in inveſtigating the cauſes of the direction which induſtry takes in nations which are, to a certain degree, advanced in ſkill, dexterity and judgment, in the means of executing labour, is the diſcovery of what dictates the proportion of demand for the various articles which are produced; and though this may not be at firſt ſight apparent, yet a little attention to the arrangements and conduct of men in civilized ſociety, will, perhaps, authoriſe the opinion, that it is not totally impoſſible to diſcover what it is that cauſes that variety of demand for different articles, which is obſervable not only in different countries, but even in different places in the ſame country.

The firſt, the univerſal, and the moſt ardent deſire of man, is to procure what merely conſtitutes food; the next is moſt undoubtedly to guard himſelf from the inclemency of the ſeaſon. Theſe deſires he ſeems to poſſeſs in common with all other animals; and they are perhaps the only

only feelings, in relation to wealth, that nature directly implants; for, on examination, we ſhall ſee reaſon to think all farther deſires with regard to wealth, (which are peculiar to the human ſpecies), ariſe from the circumſtance of the poſſeſſion of wealth, which man alone, of all animals, ſeems to have the faculty of increaſing by his own exertions.

We often ſee the poor man living on coarſe bread, made of inferior grain, ſatisfying his thirſt with water, covering himſelf with tattered garments, lying on ſtraw, and enjoying, even in that ſtate, contentment and felicity. Increaſe his wealth, his deſires extend themſelves, and though, perhaps, it does not add materially to his happineſs, he eats bread made of better grain, drinks ſome ſort of liquor prepared by art, covers himſelf with better clothing, procures a comfortable habitation, and, in proportion as he extends his wealth, he naturally enlarges his deſires to views of com-

fort, in his clothing, as well as in other articles.

But a demand for what conſtitutes the luxuries of life, can only exiſt on the part of thoſe who poſſeſs wealth beyond what enables them to acquire the things which the habits of mankind induce them to regard as neceſſaries. For demand, in the mercantile ſenſe of the word, is not to be conſidered as a mere wiſh or deſire, but as a deſire attended with the means of ſatisfying the object of it; it is the poſſeſſion of theſe conjoined that conſtitutes what the Author of the Wealth of Nations has called the Effectual Demander *; that is, the perſon with a view to whom the commodity can, in ſpeculation alone, be manufactured or brought into the market.

Goods, indeed, may appear for once in a market where there is no effectual demander;

* Wealth of Nations, vol. i. p. 68. 4to edit.

er; though that is not very probable, as the foreſight of mankind generally operates as a preventive check; and by this means it happens, that without even an experiment, the extent and gradations of fortune ſeem univerſally to influence the quantity and quality of what is offered for ſale.

Thus, if the whole iſland of Great Britain was ſuddenly divided into ſmall properties of one hundred pounds a-year each, no parliamentary regulations or encouragement could poſſibly prevent the extinction of the manufacture of thoſe coſtly carriages, the purchaſe of which might exhauſt upwards of four years revenue of one of thoſe limited fortunes. It is, on the other hand, obvious, that any regulation which could at once unite the property thus divided, into fortunes of ten thouſand a-year each, muſt, independent of all encouragement, and in defiance of even very heavy taxation, inſtant-

ly reſtore the demand for, and of courſe the manufacture of, thoſe vehicles.

The diſtribution of property could not, however, be changed from fortunes of one hundred, to fortunes of ten thouſand a-year, without, in every inſtance, reducing ninety-nine families, antecedently poſſeſſed of one hundred a-year each, into a ſtate of dependence for ſuſtenance and employment upon each of thoſe men, amongſt whom the property of the country by this hypotheſis would be divided. The goods which the man of ten thouſand a-year would immediately apply to the acquiſition of carriages and other luxuries, muſt of courſe be withdrawn from expenditure in thoſe things in the acquiſition of which they were employed, when fortunes were divided into one hundred pounds *per annum*.

Each of the individuals who, antecedent to the ſuppoſed change in the arrangement of property, poſſeſſed a hundred pounds a-year, might naturally wiſh and deſire to obtain

obtain the things to which he was habituated; but as this wiſh could no longer be accompanied with the means of obtaining the object, it could no longer give riſe to a demand. Of courſe, the demand for that claſs of commodities muſt be diminiſhed; and the reduction of their value, created by this diminution of demand, muſt diſcourage that direction of induſtry, at a time when, in conſequence of the ſuppoſed new arrangement of property, the demand for articles of luxury would raiſe the value of labour employed in the formation of them; and thus effectually direct the labour of thoſe who were thrown out of employment, to that channel in which, by the new arrangement of property, it was ſure of being cheriſhed by a conſtant demand.

On the other hand, if the property had remained divided into ſmall fortunes of one hundred a-year each, what would have been the conſequence?—Experience ſhews us, that proprietors of this claſs live, in general, on their eſtates; indeed, want of means

to

to defray the neceſſary expences of travelling, confines them at home: and as there is nothing ſo ſalutary for the improvement of a country, as the eye of a proprietor, confined to a ſpace of territory which he can himſelf manage; ſo likewiſe, the expenditure ariſing from the reſidence of the proprietors, muſt naturally encourage the induſtry of the country, and of courſe diſcourage thoſe refined manufactures, the reſult of the accumulation of labour on raw materials, which diſtinguiſh the induſtry of towns.

This view of the ſubject inevitably leads to the ſuſpicion, that it is the diſtribution of wealth which regulates the portion of demand for different deſcriptions of commodities, in as cogent a manner as demand regulates the direction of the induſtry of a ſociety, and of courſe the formation of wealth.

Demand, as has been remarked, ariſes not

not only from having a wiſh or deſire to poſſeſs a particular object, but from the deſire of poſſeſſing being combined with the means of acquiring; and it is here moſt important to remark, that though the mere wiſh or deſire of poſſeſſing can never furniſh the means of acquiring, yet a little obſervation on the conduct of men ſhews us, that the means of acquiring, very certainly and very rapidly inſtil the deſire of poſſeſſing. It ſeems, therefore, an undeniable inference, (if demand proceeds from the deſire of poſſeſſing, combined with the means of acquiring), that the diſtribution of wealth, which at once furniſhes the means of acquiring, and inſtils the deſire of poſſeſſing, muſt imperiouſly regulate the nature and extent of demand *.

But

* The general feeling of mankind, of the incompetency of a mere wiſh or deſire, to conſtitute a demand, is forcibly expreſſed in the common and well-known proverb, *If wiſhes were horſes, beggars would ride;* and the rapidity with which the means of poſſeſſing communicates the deſire of enjoyment, is expreſſed with equal energy in another proverb, *Put a beggar on horſeback, he'll ride to the devil.*

But it is not general reaſoning alone which produces a conviction, that the diſtribution of wealth, in all ſocieties, muſt ultimately regulate the formation of wealth. The ſame concluſion may be deduced, by a ſtill plainer and more familiar proceſs, from an examination of the ſituation, the habits, and the diſtribution of the property of mankind;—a view of the ſubject which may be illuſtrated by examples innumerable, uniformly evincing, that, in every ſociety, it is the wealth of the conſumers who reſort to the market, and the manner in which it is diſtributed amongſt them, that univerſally decide both the quantity and quality of the goods that are expoſed to ſale.

We have often occaſion to remark, in many of the ſmall fiſhing-towns of England, where the goods generally expoſed in the ſhops are of a nature adapted to the demand dictated by the property of the inhabitants, that the ſummer ſeaſon no ſooner

er invites to the coaſt a number of opulent families, for the purpoſe of bathing, than there is transferred thither a quantity of goods ſuited to the demand which the fortunes of thoſe who for a time viſit the place create; and the reſidue of theſe goods is at the end of the ſeaſon conſtantly removed, becauſe the fortunes of the natives are not ſuch as to create a demand for commodities of that nature.

It is to be remarked, too, that for the good of the place, as well as of thoſe new ſhopkeepers who reſort to it, it is neceſſary that thoſe who thus for a time reſide in it ſhould not be too affluent; for the taſtes and habits which extreme affluence generates, naturally induce thoſe who poſſeſs it to bring from a diſtance their wines, and many other articles of their conſumption, as well as to ſend to the capital for any new ornaments, or additional articles of clothing, which the taſte of the day may ſuggeſt as deſirable; ſo that not only the affluence of thoſe who reſort

reſort to the market, but even the degree of affluence, ſeems to decide on the nature and extent of the demand, which may be diminiſhed as much by the extreme riches of the temporary viſitants as by their poverty.

It was the luxurious habits of the French Court, generated by extreme affluence, that, with juſtice, gave riſe to the complaint uniformly made by the inhabitants in and around Fountainbleau, that the ſhort reſidence of the Sovereign, in ſummer, created an additional demand for nothing but eggs, milk and butter, as the courtiers brought almoſt every other article of conſumption along with them; and it is not improbable that ſhopkeepers and traders in and around that town, are at preſent deriving more benefit from its being converted into an Engliſh priſon, than they did from its being reſorted to by the Court of France.

The curing of fiſh is a means of increaſing

ſing food, and of courſe wealth, which has occupied the attention of many of the maritime powers of Europe. The legiſlature of this country has, in particular, made repeated inquiries, enacted various regulations, and given, at different periods, very conſiderable bounties for improving and encouraging the curing of herring.

The great object has been to imitate, and, if poſſible, to rival the Dutch in this undertaking; but the inquiries of committees, the regulations in conſequence of their reports, the bounties and encouragements granted by law, the inſtructions given by Dutchmen diſperſed throughout our fiſhing towns, to teach the proceſs which has ſucceeded in Holland, have all proved ineffectual. The herrings produced are as inferior in quality as ever, to thoſe cured in that country, and muſt remain ſo, if there was even much greater encouragement given: for the conſumers of the greateſt part

of

of the herrings cured in this country are the pooreſt of all men,—men abſolutely deprived of the power of poſſeſſing property, the ſlaves in our Weſt India colonies; whilſt the conſumers of the herrings cured in Holland are men of property and affluence in Germany and other parts of Europe, at whoſe tables that fiſh is introduced as an article of luxury. Till, therefore, the Weſt India proprietor becomes as nice about the victuals of his ſlaves, as a German Prince is about the luxuries produced at his table, this country can never expect to ſee the curing of herring brought to an equal ſtate of perfection as in Holland: for the fortunes of the conſumers in Germany make the excellence of the commodity the ſole recommendation in that market; whilſt the ſituation of the ſlaves makes the cheapneſs the only recommendation in the Weſt India market.

Let any man examine the wretched clothing ſent from this country to cover thoſe

thoſe who are employed in the cultivation of the ſugar-cane; and then let him reflect, whether, if this was the chief ſource of demand for our linen and cloth, any poſſible bounty could induce our manufacturers to produce lawn, cambric, or fine broad-cloth.

This nation is at preſent the greateſt commercial country in the world. There is hardly any people, in any climate, with whom our merchants have not dealings; and if we examine the cargoes that are made up to ſuit the demands of different nations, we ſhall univerſally obſerve, that it is the diſtribution of property, in each country, that dictates the nature and quality of the goods that are ſent to it.

In India, property is moſt unequally divided. The poor man poſſeſſes the neceſſaries, but has not wealth ſufficient to ſuggeſt a deſire even for the comforts of life. The rich poſſeſs not only wherewithal to pam-

per their appetites, but ſufficient to ſatisfy their moſt refined deſires. Accordingly, the cargoes which our India captains carry out, if meant for ſale in the country, and not for the ſupply of the Company's ſervants, uniformly conſiſt of the moſt expenſive clock-work, of mirrors of the greateſt ſize, of fire-arms of the moſt diſtinguiſhed workmanſhip, of luſtres, and other ornamental articles, of a value even beyond what any European market requires.

In the United States of America, on the other hand, property is more equally divided than perhaps in any other country. Almoſt every man poſſeſſes not only the means of procuring the mere neceſſaries of life, but his wealth is ſuch as to extend his demands to ſome articles of comfort in clothing, furniture, and habitation; and there is hardly ſuch a thing as a princely or overgrown fortune. Accordingly, the goods ſent to the American market are all comparatively low-priced, things calculated to ſecure comfort, not to attract admiration.

Send

Send to India a cargo of goods aſſorted for this market; they will find no ſale. The poorer orders might, indeed, have a wiſh for articles of this ſort; but in a country where three half-crowns per month is the uſual allowance for wages, food and clothing, they cannot have the means of procuring them; and a wiſh, unaccompanied with the means of obtaining a commodity, never can conſtitute a demand. Neither could there exiſt, on the part of the native princes, any demand for ſuch articles. They, indeed, have amply the means of obtaining them; but this, without the wiſh or deſire to poſſeſs them, cannot conſtitute a demand; and theſe are not the commodities for which opulence creates a deſire. The things for which riches dictate a demand are articles ſcarce and rare, calculated to diſplay ſplendour, and excite admiration,—

"Non uſu plebeio trita voluptas *."

* PETRON. ARBITER, *Sat.* cap. CXIX. 8.

But the effect of the diſtribution of property is not alone to be traced out by contemplating its influence in determining the direction of manufacturing induſtry: it even goes ſo far as to regulate and decide the nature and condition of the animals reared and brought to the market for the food of man.

England is the only country in Europe where wealth is ſo diffuſed, that the great body of the manufacturers, that is, a great proportion of the people, can afford to enjoy a mixture of animal with vegetable food for their nouriſhment *.

Where the wealth of man admits of his uſing

* That man can be nouriſhed at a much cheaper rate on vegetable than on animal food, is apparent, from the circumſtance of the large quantity of land requiſite to raiſe enough of animal food for his ſuſtenance, compared with the ſmall quantity of land that will produce a ſufficiency to maintain him on a vegetable diet. On this ſubject, ſee APPENDIX, No. XII.

uſing a portion, but not of his enjoying a ſuperabundance of animal food, it becomes deſirable that it ſhould be as fat as poſſible; as meat in this ſtate goes furtheſt to ſeaſon, reliſh, or *kitchen*, as it is vulgarly called, a quantity of potatoes, pulſe, or other vegetables. Accordingly in England, we find the fatteſt and the greateſt quantity of fat meat in the world; and no one who will read the numerous publications that have of late years appeared on agricultural ſubjects, can entertain a doubt, that it is the eaſe and affluence of the lower orders of the people, enabling them in part to ſubſiſt on animal food, and the circumſtance that fat meat goes furtheſt in mixing with vegetables, from whence the demand for meat in this ſtate ariſes.

Of the new Leiceſter breed of ſheep, now ſo much run upon, and ſo famed, for what in the language of the grazier is called their *fatting quality*, proportionally ſpeaking, none go to the London market;

that is, arrive at the table of the luxurious. Leeds, Mancheſter, Birmingham, Wakefield, Newcaſtle, the ſeats of our manufactories, are the markets in which they are eagerly ſought after, and the places where they are in general conſumed. And if the wealth of the country was not ſo diſtributed as to put it in the power of this claſs of men to enjoy animal food, there would be no demand for meat fed to this extent; becauſe that extreme degree of fat is a quality, which, far from recommending it to, would baniſh it from, the tables of thoſe whoſe opulence has trained them on to delicacy and refinement of taſte.

"On going to market one day, to ſell our "fat cattle, (ſays a reſpectable and very intelligent farmer), "I was overtaken by "a gentleman from Scotland. Farmer, "ſaid the gentleman, You make your ſheep "ſo fat that I could not eat the mutton. "It matters not, Sir, replied I, becauſe we

"have

" have plenty of cuſtomers for this kind of " mutton; and allow me to ſay, it is very " happy that the great conſumption does " not depend upon ſuch as you.

" Aſk the pitman, the keelman, the wool- " comber, the weaver, the fabricators of me- " tals, and all thoſe various but valuable claſs " of manufacturers which abound in diffe- " rent parts of this iſland, which of the " two kinds of mutton they prefer? would " they not readily anſwer, Take you the " lean meat, large-boned, and black gravy, " but give us the ſmall-boned fat meat, " with oil ſwimming in the diſh. And are " not theſe the men that make the greateſt " conſumption in fat mutton, beef *?" &c.

In ſome parts of the ſouth of Scotland, the deſire of imitating the improvements

* Obſervations on Live Stock, by GEORGE CULLEY, p. 125, 126.

of their neighbours in England, has introduced the new breed of ſheep, whoſe propenſity to fatten has made them ſo much ſought after. On the banks of the Tweed, in particular, ſuch flocks are to be found. But there are few parts of that country where the lower orders habitually live on animal food. Morpeth is accordingly the market to which they are generally ſent, becauſe, ſays the intelligent Author already quoted, "the natives of Scotland have "not as yet learned to eat fat mutton, like "the pitmen and keelmen about New-"caſtle." The truth is, the common people of that country do not poſſeſs wealth ſufficient to enable them to conſume animal food, otherwiſe it would not require much learning to give them a taſte for fat meat; for whenever they do acquire the means of conſuming a mixture of animal with vegetable food, the taſte for meat in that ſtate at once diſplays itſelf. The proof of this is, that Glaſgow and Paiſley, the only places in Scotland where the body

of

of the people poſſeſs that degree of opulence, are known to be the only markets for very fat meat; that is, the markets where the demand for meat in that ſtate enſures a ſuperiority of price.

Innumerable illuſtrations might be brought, uniformly tending to ſhew, that the diſtribution of property determining the nature of demand, alone regulates and decides the channels in which the induſtry of every ſociety exerts itſelf. Perhaps, however, there is not a more powerful method of bringing home this great and leading truth to the conception of every man, than by taking a general view of the ſtate in which property has exiſted in France and Great Britain, the two countries in Europe moſt diſtinguiſhed for opulence and refinement; and then contemplating the method in which the diſtribution of their reſpective wealth has marked, diſtinguiſhed, and characterized, the induſtry of both theſe countries.

In

In Great Britain, as we have already obſerved, wealth is more generally diffuſed than in any other country. Though there exiſt ſome great and overgrown fortunes, they do not appear to have been formed at the expence of entailing general poverty on the community. The yeomen in ſome parts of the country, the farmers and manufacturers in all, when compared with thoſe of any European nation, have always been diſtinguiſhed for the eaſe and even the opulence which they enjoy *.

In France, on the other hand, the wealth of the country for centuries was ſhared out and confined amongſt the Nobility. They had univerſally, too, the habits of ſacrificing the intereſts of their daughters and younger ſons to increaſe the wealth, and perpetuate the power of their repreſentatives:—for the victims of the female ſex, Convents furniſhed an aſylum and retreat; whilſt Monaſteries, Church-benefices, and the Army, were

* Lord Bacon's Hiſtory of Henry VII.

were uniformly reſorted to as means of providing for the younger ſons.

"France" (ſays a well-informed Author, who wrote in the middle of the laſt century) "concentres in Verſailles and Paris, as "in a ſingle point, all the powers which can "attract mankind—to Court, on account "of the greatneſs and honours, which can "be attained no where elſe, and which are "for none but thoſe who live at it;—to Pa-"ris, in which are not only all the trea-"ſures of the ſtate, but where all thoſe "ſubjects of the ſtate reſide who are rich, "either through the public or their own "private revenue; ſo that all the weal-"thy have fixed their habitation in this "town, from a preference owing to the "neighbourhood of the Court *." It is to be obſerved, too, that the privileges and exemptions from taxation enjoyed by the Nobility, greatly added to the effects of the

* Remarks on the Advantages and Diſadvantages of France and Great Britain with reſpect to Commerce. 1754, p. 42.

the unequal diviſion of property; for by this means, in proportion as the public debt and the expences of the Court increaſed, the unequal diſtribution of riches became more marked and perceptible; whilſt the effects of this inequality appeared more forcibly from the extravagance of that Nobility in whoſe hands the wealth of the country was concentrated: "That claſs, "who, in the ſervice of the nation have al- "ways ſpent the capital of their fortunes, "and who, when they are ruined, give way "to another ſet of the ſame claſs, who in "like manner ſpend their capital *."

Indeed, in no country was there to be found a portion ſo conſiderable of its riches ſhared out in large fortunes amongſt ſo ſmall a number, the expenditure of which uniformly and conſtantly took place on the ſame ſpot.

"The

* *Cette partie de la nation qui ſert toujours avec le capital de ſon bien, qui quand elle eſt ruinée donne ſa place à une autre qui ſervira avec ſon capital encore.* Eſprit de Loix, Liv. xx. Chap. xx.

" The opulent man, who lives on his " fortune, without any employment, con- " ſumes by himſelf, by his menial ſer- " vants, by his paraſites, the national pro- " ductions of the firſt neceſſity. So far " agriculture profits by his expenditure; " but his pride and effeminacy employ, to " provide him with lodging, with furni- " ture, with clothing and equipage, the aſ- " ſiſtance of all the arts that are natura- " lized in France; it is, then, the men of " large fortune who furniſh the natural " aliment of French induſtry *."

In Paris, accordingly, (as, under ſuch circumſtances, our theory would lead us to expect), thoſe who excelled as hair-dreſſers, as tailors, as milliners, the moſt expert hands

* *Le riche oiſif conſume par lui-même, par ſes valets, par ſes paraſites, les denrées nationales de première neceſſité. L'agriculture profite evidemment de ces dépenſes; le faſte et la moleſſe, empruntent pour le loger, le meubler, le vétir, le voiturer, le ſecours de tous les arts naturaliſés en France; il eſt donc l'aliment propre de l'induſtrie Françoiſe.* Ephémerides du Citoyen, Tom. II 1766. p. 133.

hands employed in painting china or carriages, and in cutting or ſetting diamonds, embroiderers of clothes and furniture, &c. received encouragement certainly equal, if not ſuperior, to thoſe employed in the ſame line in London; whilſt we are told by Mr ARTHUR YOUNG, that, from the information he could collect during his reſidence in different parts of France, country labour was 76 *per cent.* cheaper there than in England *.

This ſufficiently ſhews, that the demand for country labour, in proportion to the number of labourers of this deſcription, was much inferior to what it is in this country; and that the proportion betwixt the

* Country labour being 76 *per cent.* cheaper in France than in England, it may be inferred, that all thoſe claſſes that depend on labour, and are the moſt numerous in ſociety, are 76 *per cent.* leſs at their eaſe, (if I may uſe the expreſſion), worſe fed, worſe clothed, and worſe ſupported, both in ſickneſs and in health, than the ſame claſſes in England, notwithſtanding the immenſe quantity of precious metals, and the impoſing appearance of wealth in France.

the demand for, and the number of, thoſe whoſe profeſſions are calculated to adminiſter to the deſires of the affluent, even though their number was much greater, muſt have been equal, nay, ſuperior, to what it is in England.

But we know, that when the intereſt of men engages their attention to the formation or manufacture of any claſs of commodities, the alertneſs and dexterity in ſupplanting labour by capital, which practice generates in any particular branch of manufacture, uniformly lowers the price, at the ſame time that it improves the quality, of the articles produced.—"For it is ſo plain, "that every man profiteth in that he moſt "intendeth, that it needeth not to be ſtood "upon. It is enough to point at it" *.

Accordingly, to eſtabliſh the comparative ſuperiority, excellence, and cheapneſs, of all articles in France which contribute to the ſplendid decoration either of the perſons,

* Bacon's Eſſays, p. 83.

perſons, the tables, or the apartments of men of fortune, we need only appeal to thoſe who have reſided there, and who have enjoyed the ſociety of the people of that country.

Even in England, no one can go into the drawing-rooms of the affluent, or attend St James's on a birth-day, without ſeeing this ſuperiority ſufficiently diſplayed, by the quantity of French manufactures exhibited, notwithſtanding the ſevereſt legal prohibitions, and thoſe, too, enforced by the example of the Sovereign.

On the other hand, to prove the ſuperiority which England diſplays in the neatneſs and cheapneſs of all thoſe articles which adminiſter to the comforts of life, and which are within the reach of thoſe who poſſeſs merely a competency; it is only neceſſary to call for the teſtimony of any man who has even paſſed through the two countries. The neatneſs of the houſes in

and

and around London, and the ſplendour of the hotels in Paris, have conſtantly formed themes of remark to all travellers.

What is univerſally matter even of looſe obſervation among mankind, where intereſt does not dictate the ſentiment, is generally true, and may almoſt always with certainty be relied upon. Here, however, it is unneceſſary to truſt merely to ſuch a ſource of information. For the effects of the diſtribution of wealth on the reſpective induſtry of the two countries, is no where more ſtrongly diſplayed than in the documents and memorials which the negotiation for a commercial treaty called forth; and as this was evidently an occurrence calculated to intereſt the Government of both countries, in acquiring the moſt accurate knowledge of the ſubject, they ſeem to furniſh a ſource of information which may with confidence be depended upon.

From theſe it would appear, that when

the commercial treaty between France and England was adjuſted, in the year 1786, thoſe who conducted it, as well as thoſe who were conſulted on the ſubject, uniformly conceived, that France had a decided advantage in the manufacture of every thing for which affluence dictates a deſire; and that England, on the contrary, excelled in the formation of all thoſe articles which adminiſter to the comfort of ſuch as enjoy but a moderate degree of wealth *.

In

* See APPENDIX, No. XIII. containing extracts from various papers and memorials, written at the time of the commercial treaty with France, 1786.

From theſe, it appears,

1. That, in the article of cloth, the fine cloths of France were preferable to the fine cloths of England; whilſt, on the other hand, it was conceived, that the lower-priced cloths of England could meet with no competition either for quality or cheapneſs.

2. That, though France had a moſt decided ſuperiority in the manufacture of rich ſilks, England was ſuppoſed

In reality, the diſtribution of wealth not only regulates and directs the channels in which the induſtry of every ſociety is embarked, in ſuch a manner as to decide upon the nature, condition and quality, of what is produced, but even in a great degree determines the progreſs of population throughout the world.

ſed to have the advantage in making of ribbons, ſtuffs mixed with ſilk, &c. &c.

3. That, in the article of linens, the ſuperiority that France enjoyed was ſolely confined to the cambrics and finer ſorts

4. That, in articles of millinery, and things for the perſonal decorations of the luxurious, France had an undoubted pre-eminence.

5. That, in the manufacture of glaſs, the ſuperiority of France in making of looking-glaſſes, was as decided as that of England in the formation of common glaſs, and of articles of cryſtal for general uſe.

6. That the china of France enjoyed an undiſputed ſuperiority; whilſt the potteries and earthen-ware of England were conſidered as not to be rivalled.

7. That the ſuperior taſte and excellence, as well as the cheapneſs, of all articles of jewellery and ſilverſmith work in France, was as decided as that of all articles of common hardware, the manufacture of England.

If it did not lead into a wider field than is conſiſtent with the object of our preſent inveſtigation, it would be eaſy to ſhew, that as what a late ingenious author calls the poſitive check to population, (which he points out as common to man, with the reſt of the animal and vegetable creation), to wit, the want of nouriſhment, in reality ariſes from the deficiency of the objects of man's deſire, that is, of his wealth; ſo what he has called the preventive check to population, and which he deems peculiar to man, is in every ſociety, and in all its forms, univerſally to be traced home to the diſtribution of wealth *.

Thus,

* "The preventive check is peculiar to man, and ariſes "from that diſtinctive ſuperiority in his reaſoning faculties, which enables him to calculate diſtant conſequences. Plants and animals have apparently no doubts "about the future ſupport of their offspring. The checks "to their indefinite increaſe, therefore, are all poſitive. "But man cannot look around him, and ſee the diſtreſs "which frequently preſſes upon thoſe who have large families; he cannot contemplate his preſent poſſeſſions or "earnings, which he now nearly conſumes himſelf, and

"calculate

Thus, as it is the labour of man, whether performed with his hands or by capital, employed in augmenting the quantity, or in improving the quality, of the pro-

" calculate the amount of each ſhare, when, with very
" little addition, they muſt be divided, perhaps, among ſe-
" ven or eight, without feeling a doubt, whether, if he
" follow the bent of his inclinations, he may be able to
" ſupport the offspring which he will probably bring into
" the world. In a ſtate of equality, if ſuch can exiſt, this
" would be the ſimple queſtion. In the preſent ſtate of
" ſociety other conſiderations occur. Will he not lower
" his rank in life, and be obliged to give up, in great
" meaſure, his former ſociety? Does any mode of em-
" ployment preſent itſelf, by which he may reaſonably
" hope to maintain a family? Will he not at any rate
" ſubject himſelf to greater difficulties, and more ſevere
" labour, than in his ſingle ſtate? Will he not be unable
" to tranſmit to his children the ſame advantages of edu-
" cation and improvement that he had himſelf poſſeſſed?
" Does he even feel ſecure, that ſhould he have a large
" family, his utmoſt exertions can ſave them from rags
" and ſqualid poverty, and their conſequent degradation
" in the community? And may he not be reduced to
" the grating neceſſity of forfeiting his independence, and
" of being obliged to the ſparing hand of charity for ſup-
" port?" Eſſay on the Principles of Population, by T. R. MALTHUS.

ductions of nature, and in adapting them for conſumption, that forms the means of increaſing the wealth of mankind; ſo it is the diſtribution of wealth, which, determining the nature of demand, regulates the direction of labour, and diſtributes it in ſuch a manner, as to cauſe a variety in the productions of induſtry, conformable to the wants and deſires to which the habits created by the power of enjoyment give birth.

For the diſtribution of wealth not only decides on the character of manufacturing induſtry, but on the proportion betwixt the ſhare of the labour of man which is directed towards increaſing the quantity and meliorating the quality of the productions of nature, and the ſhare which is occupied in giving form to the materials produced. When great inequality of fortune prevails, the demand for labour employed in giving forms adapted to the taſte of the luxurious and the rich, encou-

rages

rages that ſpecies of induſtry; whilſt the extreme poverty of thoſe who look for little beyond the neceſſaries of life, occaſioning no increaſe of demand for things of this claſs, affords little encouragement to labour employed in augmenting the quantity, and meliorating the quality, of the productions of nature, and no inducement to improvement in that line of induſtry.

Nothing can more clearly illuſtrate this poſition, than a comparative view of the agriculture of France and England. The flouriſhing ſtate of agricultural labour in England, has long been a general topic of admiration; whilſt we are told by the ingenious Author of the articles *Fermier* and *Grain*, in the *Encyclopédie* *, that in France, out of thirty-ſix millions of acres under the plough, thirty millions are cultivated by tenantry who are ſo poor, that the landlord is obliged to furniſh labouring cattle and ſeed, and often even to advance

 money,

* M. Quesnay.

money, till the firſt harveſt, for payment of the expences of the farmer's living, and of his farming inſtruments *.

On the principles here ſtated, the cauſes of deficiency in any particular line of induſtry may in every country be eaſily diſcovered, by an examination into the diſtribution of the property of its inhabitants, and this appears to be all that is uſeful or neceſſary. Any attempt to ſtate the preciſe diſtribution of wealth which tends moſt to encourage the production of wealth, would be liable to the ſame criticiſm that the Author of the Wealth of Nations

* See APPENDIX, No. XIV. containing, 1. Deſcriptions extracted from the *Ephémerides de Citoyen*, which give an idea of the ſituation of lands cultivated by *metoyers*, under the culture practiſed, as QUESNAY ſuppoſes, on thirty millions of acres of the arable land of France. 2. A ſtatement of the annual expenditure on one farm, and of the annual produce of another, in the Carſe of Gowrie, in Scotland; to which is added an account of the production of that diſtrict.

By contraſting theſe ſtatements, the reader will ſee how much the wealth of a nation depends on the direction of its induſtry.

tions has made on that table or formula, which the œconomiſts preſented to the world as accurately diſplaying the order of expenditure moſt advantageous for a community. Dr SMITH has truly ſaid, that, as there are many regimens under which the human body enjoys health, ſo a country may enjoy, to a certain degree, proſperity under very different circumſtances *.

In general, however, it may be obſerved, that "great inequality of fortune, by impoveriſhing the lower orders, has every where been the principal impediment to the increaſe of public wealth." We know from experience, that no country of equal extent ever enjoyed ſo much wealth as what is diffuſed over this iſland. We have a right, therefore, to conclude, that the diſtribution of property has been more favourable to the growth of wealth in this than in any other country. In the beginning of the ſeventeenth century, Lord BACON,

* Wealth of Nations, vol. II. p. 271. 4to edit.

con, accounting for the advantages obtained by the Engliſh in their wars with France, aſcribes them chiefly to the ſuperior eaſe and opulence enjoyed by the common people *; and it certainly appears, that with ſtill greater confidence, the ſuperiority of wealth

* "Let ſtates that aim at greatneſs, take heed how "their nobility and gentlemen do multiply too faſt: for "that maketh the common ſubject grow to be a peaſant "and a baſe ſwain driven out of heart, and in effect "but a gentleman's labourer: even as you may ſee in "coppice-woods. If you leave your ſtadles too thick, you "ſhall never have clean underwood, but ſhrubs and "buſhes. So, in countries, if the gentlemen be too many, "the commons will be baſe: and you will bring it to "that, that not the hundredth poll will be fit for a hel-"met; eſpecially as to the infantry, which is the nerve of "an army; and ſo there will be great population and "little ſtrength. This which I ſpeak of has been no "where better ſeen, than by comparing of England and "France: whereof England, though far leſs in territory "and population, hath been, nevertheleſs, an over-match, "in regard the middle people of England make good "ſoldiers, which the peaſants of France do not." Lord Bacon's Eſſays, p. 80. See alſo his Life of Henry VII.

wealth we enjoy may be aſcribed to the ſame cauſe.

The wealth of mankind, it has been obſerved *, can alone be increaſed:—

1. By Labour, whether perſonal, or performed by capital, employed in increaſing the quantity, and meliorating the quality, of the objects of his deſire; that is, *by agriculture.*

2. By Labour, whether perſonal or performed by capital, employed in giving form to, and adapting commodities for, conſumption; that is, *by manufacturing induſtry.*

The ſuperior efficacy of the application of capital, for the purpoſe of executing every branch of labour, over the moſt improved manual dexterity, has alſo been explained; and the degree in which the increaſe

* See page 278.

increaſe of public wealth is dependent on this circumſtance, has been illuſtrated and made manifeſt *.

It becomes, therefore, of the greateſt importance to remark, that though the channels of expence of men of large and extended fortunes, (that inſtil a deſire for articles of taſte,) are often as unbounded as the fanciful imagination of thoſe who adminiſter to the ſatisfaction of their caprices; yet their habits cannot poſſibly ſuggeſt expenditure, for the purpoſe of ſupplanting labour they are never called on to perform. On the contrary, the habits of a man poſſeſſed of ſmall fortune, which adds to thoſe comforts his induſtry enables him to acquire, naturally ſuggeſts the deſire of ſupplanting the labour he performs, whilſt he finds, in his moderate wealth, means of executing that which benefits himſelf, and enriches the community to which he belongs.

The

* See page 282, &c.

The deſcription of MONTESQUIEU of the Nobility of France, as living on their capital, might with juſtice have been extended to thoſe frequenters of all Courts who are born to inherit large fortunes; for the real ſource of increaſing wealth is alone to be found amongſt farmers, manufacturers, merchants, whoſe habits open their eyes to farther means of ſupplanting the labour they perform or ſuperintend, and which their ſmall, but increaſing fortunes, enables them to execute, with benefit to their private, and with ſtill greater advantage to the public fortune.

Thus the diſtribution of wealth not only regulates and decides the channels in which the induſtry of every country is embarked, and of courſe the articles in the production of which it excels; but a proper diſtribution of wealth inſures the increaſe of opulence, by ſuſtaining a regular progreſſive demand in the home market, and ſtill more effectually, by affording to

thoſe

thoſe whoſe habits are likely to create a deſire of ſupplanting labour, the power of executing it *.

Neither

* Though we do not recollect any attempt to ſhew why the opulence of the lower orders tends to accelerate the growth of national wealth, or any reaſoning to prove that it muſt have that effect; yet the fact, (as appears from the following extracts), has not eſcaped the obſervation of the learned and ingenious.

"The device of King HENRY VII. (whereof I have ſpo-
" ken largely in the Hiſtory of his Life), was profound
" and admirable in making farms and houſes of huſban-
" dry of a ſtandard; that is, maintained with ſuch a pro-
" portion of land unto them, as may breed a ſubject to
" live in convenient plenty, and no ſervile condition: and
" to keep the plough in the hands of the owners, and not
" mere hirelings. And thus, indeed, you ſhall attain to
" VIRGIL's character, which he gives to ancient Italy.

" *Terra——potens armis atque ubere gleba.*"

BACON's Eſſays, p. 81.

" Above all things, good policy is to be uſed, that the
" treaſure and monies in a ſtate be not gathered into few
" hands. For, otherwiſe, a ſtate may have a great ſtock
" and yet ſtarve. *And money is like muck, not good except it*
" *be ſpread.*" BACON's Eſſays, p. 39.

" Whether

Neither are theſe the only means by which a wiſe and fortunate diſtribution of wealth tends to produce an increaſe of the wealth of a country; for when, in conſequence of the mode in which wealth is diſtributed, induſtry is once embarked in the production and formation of particular commodities, and dexterity is acquired in preparing for the market things for which the diſtribution of the growing wealth of colonies and other countries create a deſire; a new and increaſing demand encourages and ſuſtains an extenſion of production greater than the wealth or the wiſeſt diſtribution of wealth in any country,

"Whether a people can be called poor, when the common ſort are well fed, clothed and lodged?" Queriſt, by the Biſhop of Cloyne.

Quand le commerce eſt en peu de mains, on voit quelques fortunes prodigieuſes eſt beaucoup de miſere; lorſqu' enfin il eſt plus étendu, l'opulence eſt générale, les grandes fortunes rares. "When commerce is in few hands, one ſees ſome very "large fortunes in the midſt of general poverty; but when "it gets into a greater number of hands, we ſee general "opulence, and few large fortunes." *Diſcours de M. De Voltaire, à ſa reception à l'Academie Françaiſe.*

try, iſolated and cut off from all communications with others, could either authoriſe or maintain.

For ſkill in the means of ſupplanting and performing labour by capital, which habit creates, and the power of executing it by the poſſeſſion of capital, at all times inſures to countries practiſed in different branches of induſtry, means of furniſhing the commodities for which growing opulence creates a deſire, at a cheaper rate than they can be manufactured in a country where either the progreſſive increaſe of wealth, or a ſudden change in the diſtribution of it, has given birth to new deſires.

It muſt be obſerved, too, that this new ſource of demand, as it creates an augmentation of production, and conſequently of wealth, inſtils into the inhabitants of the country, advanced in any peculiar line of induſtry, new deſires, which in return create a demand for things that the climate

mate or ſoil of the ſociety riſing in opulence enables them excluſively to produce, as well as for things that the habits of induſtry, and the ſoil and climate of a ſociety in which the diſtribution of property is altered, enables them to produce, of a better quality, and at a cheaper rate.

It is thus that commerce, though not a means of increaſing wealth, muſt be conſidered as the cauſe of increaſed induſtry; for, by promoting an interchange of commodities betwixt two countries, it becomes a moſt powerful agent in extending the demand for the commodities of each, enriching the one and the other, by exciting a quantity of induſtry that would otherwiſe have remained dormant; but which, when thus brought into activity, augments the productions of both.

To the œconomiſts (who maintained that value in exchange is the baſis of all wealth, * that the increaſe of price is the

* *Philoſophie Rurale*, p. 60.

increaſe of wealth, and that the riches of a country augment in proportion as the exchangeable value of its commodities increaſes, *) commerce ought to have appeared a direct means of increaſing wealth. A demand, on the part of England, for two thouſand pounds worth of any particular French wine, as it muſt alter the proportion betwixt the demand for, and the quantity of it, muſt increaſe the value of the whole of that ſort of wine. In like manner, a demand on the part of France, for two thouſand pounds worth of Engliſh cloth in return, muſt alter the proportion betwixt the demand for, and the quantity of it, in ſuch a manner as to increaſe the total value of that commodity.

It is impoſſible, therefore, to diſcern, how the œconomiſts, who regarded exchangeable value as the baſis of wealth, ſhould not have conſidered commerce, which thus increaſes the value of the commodities

* *Phyſiocratie*, p. 116.

modities of both countries, as a means of increaſing wealth.

Yet this ſect of philoſophers, uniformly excluding from their view the effect which increaſe of demand muſt have in augmenting the exchangeable value of the goods of all countries, amongſt which a commercial intercourſe exiſts, and confining all their views of commerce to the mere act of exchange, have obſtinately repeated throughout their writings, in forms innumerable, that commerce is only an exchange of equal value, for equal value *.

If wealth, however, has been properly conſidered, as conſiſting in the abundance of the objects of the deſires of mankind; if exchangeable value has been properly regarded alone as the means by which, in civilized ſociety, mankind expreſs their preference for the various productions of human induſtry, and thus regulate the chan-

* See *Dialogues ſur le Commerce et ſur les Travaux des Artiſans*, by QUESNAY. Printed in *Phyſiocratie*.

nels in which it is embarked; commerce cannot with conſiſtency be regarded as a direct means of producing, and of courſe it cannot be deemed a means of increaſing wealth. It muſt, however, appear, in a ſtate practiſed in the various branches of labour, to be the great cauſe of putting the means of increaſing wealth into action.

It is from this circumſtance that the wealth of a country, in theſe days when the commercial relations of nations extend themſelves over the globe, no longer depends alone on the internal diſtribution of its wealth; and that the progreſs of wealth is now accelerated or retarded, in proportion as the diſtribution of the growing wealth of riſing countries, or changes in the diſtribution of wealth in ſocieties that have been long eſtabliſhed, give birth to a great or ſmall demand for the commodities in the production of which, in conſequence of the internal ar-

rangement

rangement of its own wealth, a country has been long practiſed.

It is only neceſſary to view the nature of the Britiſh manufactures for which America furniſhes a demand, to be convinced, that the encouragement to Britiſh induſtry, afforded by demand from the United States, muſt have been comparatively ſmall indeed, had that country been univerſally cultivated by ſlaves, and parcelled out into eſtates productive of large incomes, ſuch as our Weſt India colonies exhibit. On the other hand, the advantages that French induſtry would have derived from ſuch an arrangement of American property, are at once ſuggeſted, by reſorting to the drawing-rooms, viewing the clothing, and conſidering the expenditure, even of the Britiſh Weſt India planter.

If, in the changes which have taken place in the diſtribution of European property, we had perceived (inſtead of a ten-

dency to break down properties, and to emancipate from perſonal ſlavery, as well as from ſlaviſh tenures) a gradual accumulation of wealth into large maſſes, and a greater proportion of the lower orders reduced into a ſtate of perfect ſlavery; the encouragement Britiſh induſtry would have derived from European demand, muſt have been very different from what has been experienced, even under all the turbulent events that have diſtinguiſhed modern times.

This view of the circumſtances on which the progreſſive wealth of European nations at preſent depends, muſt afford matter of great conſolation to every man who is ſeriouſly concerned for the proſperity and aggrandiſement of the Britiſh Empire.

For, if it could be allowed to enjoy peace and tranquillity, there never was a period in which the property of mankind ſeemed almoſt univerſally to be getting into an arrangement

rangement that inſured a ſimilar extenſion of demand for the produce of the peculiar ſpecies of induſtry in which any one country by practice excelled.

And this flattering proſpect, however much it may excite the envy of other European nations, cannot, with reaſon or with impunity, induce them to abſtain from, or throw impediments in the way of, commercial communication with us.

For, on the principles here ſtated, it is obvious that commerce cannot exiſt betwixt any two countries, without equally exciting the induſtry of both. No means can be deviſed of *interchanging commodities* that will excluſively encourage the induſtry of any one of the parties concerned; and the fooliſh objections to commercial communication, that ignorant jealouſy ſuggeſts, muſt ever retard the progreſs of the induſtry of a country that makes them, as effectually

as that of the country, againſt the increaſe of whoſe induſtry they are levelled.

Great Britain cannot exclude the laces and cambrics of France, without obliging the conſumers of thoſe articles, throughout the Britiſh diminions, (in conſequence of the neceſſary riſe of price), to appropriate more goods to the purchaſe of theſe commodities; leſs muſt of courſe remain for the acquiſition of other things in the home market. Further, ſuch a prohibition neceſſarily abſtracts a demand, to the amount of the value of the lace and cambric, from thoſe commodities, in the manufacture of which, practice has given England peculiar dexterity, which France muſt have deſired in return; for no degree of freedom in commercial communication can ever convey goods from one country to another, without an equivalent.

France, on the other hand, cannot exclude the hardware of Birmingham, or

the

the cloth of Leeds, without making the natives of that country appropriate more commodities to the purchaſe of hardware and coarſe cloth. This of neceſſity abſtracts a portion of what would be employed in acquiring other objects of internal induſtry; beſides which, a demand to the amount of the value of the hardware and cloth, muſt, by this means, be withdrawn from the acquiſition of articles of French growth and manufacture, which England would require in return *.

Impediments,

* The clamour made in France againſt the Commercial Treaty in 1787, muſt have been excited by the induſtry of a few intereſted individuals; for it is impoſſible that that country ſhould not have derived equal benefit with England from the intercourſe.

The following extract, from the ſeventh *mémoire* of M. Boyetet, director of commerce in the years 1787 and 1788, ſhews the amazing increaſe of demand for wines that took place immediately after the Treaty of Commerce.

Les états qu'on a de la ſortie des vins de Bourdeaux pour l'Angleterre et l'Irelande, dans les ſix premiers mois de cette année, portent deux mille ſept cent cinquante tonneaux de vin.

Ceux

Impediments, therefore, to commercial communication, muſt ever retard the growing opulence of mankind, as much by diſcouraging the induſtry of the country whoſe folly occaſions them, as by any effect they can have on the induſtry of the country they are meant to injure. The quibbling policy of commercial negotiators, who falſely and ignorantly pride themſelves on taking advantage of each other, ought alone

Ceux des ſix derniers mois de l'année 1786, *portent mille cinq cent quatre-vingt-trois tonneaux.*

Il en réſulteroit une augmentation de ſortie dans les ſix premiers mois de cette année, de mille cent ſoixante ſept tonneaux de vin de Bourdeaux.

" The account of wines exported from Bourdeaux to " England and Ireland, in the firſt ſix months of this year, " ſtates it to amount to two thouſand ſeven hundred and " fifty hogſheads.

" In the laſt ſix months of the year 1786, there appear " to have been only one thouſand five hundred and eigh- " ty-three hogſheads exported.

" It follows, then, that in the firſt ſix months of this year, " there has been an increaſed exportation to the amount " of one thouſand one hundred and ſixty-ſeven hogſheads " of claret."

alone to create the contempt it merits; for human ingenuity cannot contrive a means of conducting the commercial relations betwixt any two countries, that does not alike promote the proſperity of both.

If, in delineating the means and the cauſes of the progreſſive increaſe of wealth, we have been fortunate enough to impreſs conviction, it will follow:—

That man owes his wealth, or the accumulation of the objects of his deſire, which he alone of all animals poſſeſſes, to the power of directing his labour to the increaſing of the quantity, or the meliorating of the quality, of the productions of nature; and to the power of ſupplanting and performing labour by capital;—faculties peculiar to, and characteriſtic of, the human ſpecies:—

That though land, labour, and capital, may be regarded as the ſources of wealth, the

the wealth of mankind is alone increaſed by labour, whether performed by the hand of man or by capital, employed in increaſing the quantity, and meliorating the quality, of the productions of nature; and by labour, whether manual or performed by capital, employed in giving form to, and adapting raw materials for conſumption:—

That the direction which labour in every country takes, and of courſe the channels of induſtry in which it excels,—nay, the extent to which the exertions of its induſtry, and even its population, can be puſhed, depend upon the diſtribution of its wealth:—

That when once the peculiar character of the induſtry of a country is, by this means, fixed and decided, the progreſs of its opulence is accelerated or retarded in proportion as the diſtribution of wealth in other countries creates a demand for the articles

articles, in the production of which it excels:—And, laſtly;—

That all impediments thrown in the way of commercial communication, obſtruct the increaſe of wealth, as much by diſcouraging the induſtry of the country which gives riſe to them, as by their effects on the induſtry of the country they are meant to injure.

FINIS.

APPEN-

APPENDIX.

APPENDIX.

No. I. (Page 50).

" Il faut diſtinguer les *biens* d'avec les *richeſſes*. Ceux-là ont une valeur uſuelle, et n'ont point de valeur vénale. Celles-ci ont une valeur uſuelle et une valeur vénale. Il ne ſuffit pas à une nation d'avoir des *biens*. Il faut qu'elle tende à ſe procurer de grandes *richeſſes*, pour ſubvenir par le commerce à tous les beſoins différens des membres dont elle eſt compoſée." *Phyſiocratie*, p. cxviij.

No. II. (Page 114).

THE ſyſtem which regards commerce as the ſole ſource of wealth, was long maintained by moſt of the eminent men who treated on commercial ſubjects; as the following extracts (to which many others might be added) ſufficiently ſhew.

"IT is a general opinion, that the trade of England was never greater, and it may be true, that if it be ſo, yet it will not abſolutely conclude, that the kingdom doth increaſe in riches; for the trade may be very abundant, and yet by conſumption and importance of more than is expected, the ſtock may waſte.

"The balance would be a true ſolution of the queſtion, if it could be rightly had: but by reaſon it muſt be made up by a medium of the books of rates, it will be very uncertain.

"Therefore we muſt ſeek another rule that is more

more ſenſible, upon which we may all judge, and that may be by the plenty or ſcarcity of money; for it is a true rule, if money increaſe, the kingdom doth gain by trade; if it be ſcarce, it loſeth."—Sir THOMAS ROE's Speech in Parliament, 1640.

"THOSE *trades* may be eſteemed good, which conſume our products and manufactures, upon which the value of our land and employment of the poor depends; that increaſe our ſeamen and navigation, upon which our ſtrength depends; that ſupply us with ſuch commodities as we abſolutely want for carrying on our *trade*, or for our ſafety, or carry out more than bring in, upon which the increaſe of riches depends.

"On the contrary, thoſe that import more than they export, or bring us in goods perfectly manufactured, or any ſort of goods that hinder the expence of our own, or that carry our *wool* or other materials, to enable foreign nations to make manufactures, to be ſpent in the room of our own; or bring in commodities that are not of neceſſary uſe, but tend to increaſe idleneſs and luxurious expences; or are carried on by fo-

reign bottoms, or factors or merchants that are foreigners, (not ſo advantageous as when carried on by our own ſhips and people); or *trades* carried on by the exportation of *coin* or *bullion*. Such heads as theſe may ſerve as a touchſtone for the examination of *trades*."—A Diſcourſe of Coin, Trade, and Paper Credit, p. 58. 1697.

"ALTHOUGH a kingdom may be enriched by gifts received, or by purchaſe taken from ſome other nations, yet theſe are things uncertain, and of ſmall conſideration when they happen. The ordinary means, therefore, to increaſe our wealth and treaſure is by foreign trade, wherein we muſt ever obſerve this rule, to ſell more to ſtrangers yearly than we conſume of theirs in value. For ſuppoſe that when this kingdom is plentifully ſerved with the cloth, lead, tin, iron, fiſh, and other native commodities, we do yearly export the overplus to foreign countries, to the value of twenty-two hundred thouſand pounds; by which means we are enabled beyond the ſeas to buy and bring in foreign wares for our uſe and conſumption, to the value of twenty hundred thouſand pounds. By this order duly kept in our trading, we may reſt aſ-

ſured,

ſured, that the kingdom ſhall be enriched yearly two hundred thouſand pounds, which muſt be brought to us in ſo much treaſure; becauſe that part of our ſtock which is not returned to us in wares, muſt neceſſarily be brought home in treaſure."—England's Treaſure by Foreign Trade, by THOMAS MUN, p. 7.

"THAT the greatneſs of this kingdom depends upon foreign trade, is acknowledged, and therefore the intereſt of trade not unbecoming perſons of the higheſt rank; and of this ſtudy, as well as others, it may be ſaid, there is an infinity in it; none, though of the largeſt intellects and experience, being able to fathom its utmoſt depth.

"Among other things relating to trade, there has been much diſcourſe of the balance of trade; the right underſtanding whereof may be of ſingular uſe, and ſerve as a compaſs to ſteer by; in the contemplation and propagation of trade for public advantage.

"The balance of trade is commonly underſtood two ways:

" 1. Generally,—ſomething whereby it may be known whether this kingdom gains or loſes by foreign trade.

" 2. Particularly,—ſomething whereby we may know by what trades this kingdom gains, and by what trades it loſes.

" For the firſt of theſe:

" It is the moſt general received opinion, and that not ill-grounded, that this balance is to be taken by a ſtrict ſcrutiny of what proportion the value of the commodities exported out of this kingdom bear to thoſe imported; and if the exports exceed the imports, it is concluded the nation gets by the general courſe of its trade; it being ſuppoſed that the overplus is imported in bullion, and ſo adds to the treaſure of the kingdom, gold and ſilver being taken for the meaſure and ſtandard of riches."—A Diſcourſe of Trade, by Sir JOSIAH CHILD, p. 163 & 164.

" IF we export any value of our manufactures for the conſumption of a foreign nation, and import thence no goods at all for our own conſumption,

ſumption, it is certain, the whole price of our own manufactures exported muſt be paid to us in money, and that all the money paid to us is our clear gain.

"The merchant, perhaps, does not get 20 *per cent.* by the goods he ſends abroad; yet if he ſells his goods for the very price he paid for them, and brings back the whole price in money, and not in goods, to his native country, the merchant, in this caſe, gets nothing, but his country gets clear the whole value of the goods."—The Britiſh Merchant, p. 23.

"If we have at any time imported from France, (for our own conſumption), a greater value of goods and merchandiſes than we exported for the conſumption of that country, it is certain, that one way or other, we paid the balance in money; and whether we paid this by exporting bullion out of England, or by drawing bullion from other nations indebted to us, into France, the caſe is the very ſame, that whole balance was ſo much loſs to this kingdom; ſo much we may be ſaid to have loſt by our French commerce."—The Britiſh Merchant, p. 34.

No. III. (Page 202).

" Nous entendons par *papiers de crédit*, toute *créance*, ou obligation ; en un mot, toute ſtipulation par écrit entre un débiteur et un *créancier* ou *porteur* de *créance*, qui oblige celui-là à payer, et autoriſe celui-ci à exiger une valeur, et qui pouvant être cédée et tranſportée, devient un moyen de tranſporter la propriété, de ces valeurs, d'un poſſeſſeur à un autre poſſeſſeur, ſans tranſporter les valeurs en nature.

" On voit que cette définition convient à tous les papiers, billets, actions des banques ; aux créances qui repreſentent des valeurs empruntées par les gouvernemens, ou des fonds d'entrepriſes de commerce, de finance, &c. et enfin, aux créances mêmes de particulier à particulier ; telles que les *lettres de change*, *promeſſes*, *billets à ordre*," &c.

No. IV. (Page 239).

COMPUTATION OF INCOME BY MR PITT.

	Annual Income.	Deduction for part under L. 60, which will pay nothing, and part under L. 200, which will pay an average $\frac{1}{10}$.	Taxable Income.
	£.	£.	£.
Landlords rents, 40,000,000 cultivated acres, eſtimated at 12 s. 6 d. per acre, - - -	25,000,000	$\frac{1}{5}$ 5,000,000	20,000,000
Tenants rents at $\frac{1}{4}$ths,	19,000,000	$\frac{2}{3}$ 13,000,000	6,000,000
Tithes, - -	5,000,000	$\frac{1}{5}$ 1,000,000	4,000,000
Mines, navigation and timber, - -	3,000,000		3,000,000
Houſes, - -	6,000,000	$\frac{1}{6}$ 1,000,000	5,000,000
Rents on inhabited houſes, 4,500,000,			
Profeſſions, - -	2,000,000		2,000,000
Scotland $\frac{1}{8}$th of England, - -	5,000,000		5,000,000
Income from profeſſions beyond ſea, -	5,000,000		5,000,000
Intereſt on funds, after deducting ſums iſſued to Commiſſioners as ſinking fund, and intereſt of capital redeemed, - -	15,000,000	$\frac{1}{5}$ 3,000,000	12,000,000
Profit on foreign trade, ſuppoſed 15 per centum on L. 80,000,000 capital inſured, -	12,000,000		12,000,000
Ditto, home trade, at 15 per cent. -	18,000,000		28,000,000
Other trade, -	10,000,000		
			102,000,000

See appendix No. 4. to the ſubſtance of a ſpeech by Lord AUCKLAND, printed by authority, 1799. To the ſame purport, ſee appendix, No. 7. of Mr ROSE's Examination, &c.

No. V. (Page 244).

The Teſtament of M. Fortuné Ricard, &c. tranſlated from the French by Dr Price.

"In the name of God, I Fortuné Ricard, teacher of arithmetic at D——, invoking the Holy Virgin, and St Fortune my patron, do make this my laſt-will as follows:

["The executors, who have cauſed this will "to be printed, in order to fulfil the intentions "of the late M. Fortuné Ricard, do not think "it neceſſary to publiſh thoſe particular bequeſts "which concern only his own family. After "having diſpoſed of his patrimony among them "with wiſdom, he proceeds in the following "manner:"]

"It remains for me now to declare my intentions with regard to the promiſe of 500 livres, (L. 22 : 4 : 6), ſubſcribed on my behalf by M. P. banker

banker of this town. This ſum proceeded originally from a preſent which was made me by PROSPER RICARD, my much honoured grandfather, when I entered the eighth year of my age. At that age he had taught me the principles of writing and calculation. After having ſhewn me, that a capital, with its accumulating intereſt at 5 per cent., would amount, at the end of one hundred years, to more than one hundred and thirty-one times the original ſum; and ſeeing that I liſtened to this lecture with the greateſt attention, he took 24 livres out of his pocket, and addreſſed me with an enthuſiaſm which is ſtill preſent to my mind. "My child, (ſaid he), remember, "while thou liveſt, that with œconomy and cal- "culation nothing is impoſſible for man. Here "are 24 livres, which I give thee. Take them "to a merchant in our neighbourhood, who will "place them in trade out of regard to me. Eve- "ry year thou ſhalt add the intereſt to the prin- "cipal. At thy death, thou ſhalt employ the "produce in good works for the repoſe of thy "ſoul and my own." I have executed this order with fidelity; and in the courſe of my life, I have planned many projects for employing this money. Having reached the ſeventy-firſt year

of

of my age, it amounts to 500 livres; but as I muſt, ſome time or other, ſet bounds to myſelf, I now deſire that it may be divided into five portions, of 100 livres each, to which the intereſts ſhall be annually added, and the accumulated ſums ſhall be ſucceſſively applied to the following uſes;

"1. In a hundred years, the firſt ſum of 100 livres will amount to more than 13,100 livres, (L. 5822). From this ſum, a prize of 4000 livres ſhall be given for the beſt theological diſſertation, to prove the lawfulneſs of putting out money to intereſt. Three medals, of 600 livres each, ſhall alſo be given for the three diſſertations which ſhall be adjudged the next in merit to the prize diſſertation. The remainder of the 13,100 livres ſhall be expended in printing the prize diſſertation, and extracts from the others. Copies of theſe ſhall be ſent, gratis, to all the biſhops, clergy, and confeſſors of the kingdom. I had intended to have ſent them alſo into foreign countries; but I obſerve, that all the univerſities of the Chriſtian world, excepting thoſe of France, have ſolemnly recogniſed the lawfulneſs of putting money to intereſt, and that it

continues

continues neceſſary only in this kingdom, to explain a queſtion in morals, ſo intereſting to the welfare of the ſtate.

" 2. After two hundred years, a ſecond ſum of 100 livres, amounting, with its accumulated intereſt, to more than 1,700,000 livres (L.756,500), ſhall be employed in eſtabliſhing a perpetual fund, for fourſcore prizes, of 1000 livres each, to be diſtributed annually by the different academies of the kingdom, as follows: Fifteen prizes for the moſt diſtinguiſhed virtuous actions; fifteen for works of ſcience and literature; ten for ſolutions of queſtions in arithmetic and calculation; ten for ſuch new proceſſes in agriculture as ſhall produce the beſt crops; ten for maſterpieces in the fine arts; and ten to encourage races and other exerciſes, proper to diſplay the force and agility of the body, and to reſtore amongſt us a taſte for the gymnaſium, which was in ſuch great eſteem among the Greeks, and which formerly made ſo many heroes.

" 3. After three hundred years, from another ſum of 100 livres, increaſed in that time to more than two hundred and twenty-ſix millions, (L. 10,057,000),

(L. 10,057,000), there ſhall be appropriated 196 millions, towards eſtabliſhing, in the moſt conſiderable places in France, five hundred patriotic banks, for lending money without intereſt; the largeſt of which ſhall have a fund of ten millions of livres, and the ſmalleſt a fund of 100,000 livres. Theſe banks ſhall be managed by a committee of the moſt upright citizens in each place, and the money ſhall be employed in loans, to ſuccour the unfortunate, or advanced towards promoting agriculture, trade, and induſtry. The remaining thirty millions ſhall be expended in founding twelve muſeums, in the cities of Paris, Lyons, Rouen, Bourdeaux, Rennes, Liſle, Nancy, Tours, Dijon, Thouloufe, Aix, and Grenoble. Each of theſe muſeums ſhall be placed at the moſt agreeable end of the city. Five hundred thouſand livres ſhall be expended upon each building, and in the purchaſe of grounds which ſhall belong to them, and be laid out into botanical and fruit gardens, and alſo into kitchen gardens, and extenſive walks. To each muſeum ſhall be annexed an income of 100,000 livres; and there ſhall be lodged and boarded in it forty literary men, and artiſts of ſuperior merit, who, at the time of meals, ſhall be divided into

into four tables, that their repaſts may be chearful, without being too noiſy. Each muſeum ſhall be provided with ſix ſecretaries, a deſigner and engraver, and four carriages. There ſhall be alſo a hall for concerts, a theatre, a chemical laboratory, a cabinet of natural hiſtory, a hall for experimental philoſophy, and a grand gallery for a common library. A hundred thouſand livres ſhall be expended on a ſeparate library for each of theſe eſtabliſhments. The ſame ſum ſhall be employed in providing them with ſeparate cabinets of natural hiſtory, and with philoſophical inſtruments. And 10,000 livres ſhall be reſerved annually, for keeping up and increaſing theſe cabinets and philoſophical inſtruments.

"The libraries ſhall always be open to the public. Twenty members of the muſeum ſhall be engaged in giving public and gratuitous courſes of lectures upon the foreign languages, and upon all the arts and ſciences. The other twenty ſhall be engaged in ſuch other employments as may be moſt uſeful. No one ſhall be admitted a member, till he has previouſly given proof, not of his rank, deſcent, or nobility, but

of

of his morals, and of his never having diſhonoured his pen, by writing againſt religion and government, or by ſacrificing any member of the community. On being admitted, he ſhall make oath, "That he will prefer virtue, truth, and "his country, to every thing; and the general "good of literature to his own fame." The works of the members of the muſeum ſhall be printed at the expence of the eſtabliſhment, and when thoſe expences are reimburſed, the profits ſhall belong to to the authors.

"4. After four hundred years, the fourth ſum of 100 livres, amounting, with intereſt, to near 30,000 millions, (L. 1,330,000,000), ſhall be employed in building one hundred towns, each containing one hundred and fifty thouſand ſouls, in the moſt agreeable ſituations which can be found in France. The means of peopling theſe towns, of governing and making them flouriſh, are explained in a memorial annexed to this will. In a ſhort time there will reſult from hence an addition of fifteen millions of inhabitants to the kingdom, and its conſumption will be doubled; for which ſervice I hope the œconomiſts will think themſelves obliged to me.

"I

"I am ſenſible that all the ſpecie in Europe is not equal to theſe 30,000 millions, and that it will be impoſſible to make proviſion in money for ſuch immenſe ſums. For this reaſon, I leave it to the diſcretion of my executors to exchange caſh at convenient ſeaſons for landed and other real poſſeſſions. The revenue ariſing from thoſe poſſeſſions ſhall either be laid out in caſh, or realized by further purchaſes, ſo that my bequeſts may be fulfilled in their due time, without any difficulty.

"I am convinced, by the moſt accurate calculations, that my arrangements, inſtead of clogging, will give activity to the circulation of ſpecie. Laying out the money I have ordered in the purchaſe of eſtates, will ſoon increaſe their value; and when theſe accumulating riches ſhall have ſo produced their effect, as that there can no longer be found in France a landholder who will ſell his eſtate, purchaſers muſt be ſought for among the neighbouring nations.

"5. Finally, with regard to the laſt ſum of 100 livres, amounting nearly, by the accumulation of five hundred years, to four millions of

millions of livres, (one hundred and ſeventy-ſix thouſands of millions Sterling), it ſhall be diſpoſed of as follows:

"Six thouſand millions ſhall be appropriated towards paying the national debt of France, upon condition that the Kings, our good Lords and Maſters, ſhall be entreated to order the Comptrollers General of the Finances to undergo in future an examination in arithmetic before they enter upon their office.

"Twelve thouſand millions ſhall likewiſe be employed in paying the public debts of England. It may be ſeen, that I reckon that both thoſe national debts will be doubled in this period; not that I have any doubts of the talents of certain miniſters to increaſe them much more; but their operations in this way are oppoſed by an infinity of circumſtances, which lead me to preſume, that thoſe debts cannot be more than doubled. Beſides, if they amount to a few thouſands of millions more, I declare that it is my intention that they ſhould be entirely paid off, and that a project ſo laudable ſhould not remain unexecuted for a trifle more or leſs. I beg that the Engliſh

liſh would not refuſe this ſlight mark of the remembrance of a man, who was indeed born a Frenchman, but who ſincerely eſteemed their nation, and always was a particular admirer of that magnificent work which NEWTON, their countryman, has entitled Univerſal Arithmetic. I earneſtly deſire, that, as an acknowledgment for this legacy, the Engliſh nation will conſent to call the French their *neighbours*, and not their *natural enemies;* that they may be aſſured that nature never made man an enemy to man; and that national hatreds, commercial prohibitions, and, above all, *wars*, conſtantly produce a monſtrous error in calculations. But I dare not in this inſtance require any thing. We muſt hope for all we deſire from Time; and when we have the happineſs of rendering a ſervice, we muſt not deſtroy its value, by annexing conditions to it which may encumber thoſe whom we wiſh to ſerve.

"Thirty thouſand millions ſhall be formed into a fund, for producing an annual revenue of fifteen hundred millions, to be divided in times of peace among all the powers of Europe. In

time of war, the ſhare of the aggreſſor or aggreſſors ſhall be given to thoſe who have been attacked unjuſtly, in order to engage Sovereigns, if poſſible, to reflect a little before they commence unjuſt hoſtilities. This revenue ſhall be diſtributed among the different nations in proportion to their population. Every ten years an exact numeration ſhall be taken, with a view to this diſtribution, which ſhall be made by a diet compoſed of deputies from all the different nations; but I direct that a larger proportion ſhall be diſtributed to thoſe Sovereigns who ſhall apply for it, and appear to deſire it with no other view than to encourage population among their ſubjects.

"I leave to the wiſdom of my executors the care of extending the benefits of this bequeſt to the other parts of the world; and if, by this means, they ſhould hope to ſucceed in extinguiſhing, throughout the world, the abſurd and barbarous rage of war, I willingly conſent that they appropriate for this purpoſe the further ſum of one hundred thouſand millions. I wiſh that ſix thouſand millions may be offered to his

his Majeſty, the King of France; namely, a thouſand millions to ſuperſede the neceſſity of lotteries, a ſort of tax impoſed upon wicked men, which infallibly renders them a great deal more wicked; a thouſand millions to buy in all uſeleſs offices, which are attended with the ſad inconvenience, of perſuading many perſons that it is a ſufficient diſcharge of their duty to their country to occupy an office without function, and that an honour may be derived from bearing a ſenſeleſs title; a thouſand millions to buy in offices, which, on the contrary, are too important to be left expoſed to the danger of venality; a thouſand millions to purchaſe a domain for his Majeſty, worthy of his Crown, and ſufficient for the expences of his Court, ſo that the nation may clearly perceive, that the taxes impoſed upon them are applicable only to the expenditures of the State. The remaining two thouſand millions ſhall form a fund, whoſe annual produce ſhall be employed by his Majeſty in penſions and gratuities. By theſe means, if, ſometimes, thoſe favours ſhould be conferred upon intriguing and undeſerving perſons, the nation will have no cauſe to complain of the im-

proper uſe of money, drawn from taxes and the labours of the huſbandman.

" I appoint a thouſand millions towards adding a thouſand livres to the ſettled income of all the clergy in the kingdom, and ſix hundred livres to that of their vicars, upon condition that they no longer demand fees for ſaying maſſes. I had alſo ſome thoughts of propoſing to them the ſuppreſſion of fees for baptiſms, marriages and burials; but I have conſidered thoſe functions to be of a civil as well as religious nature, and that, on this account, the clergy may, without impropriety, be allowed to receive a pay, which is, in fact, more moderate than would be required by any other public officers in their places. Beſides, this pay perhaps renders the ſervice more exact, more ſpeedy on their part, and leſs irkſome to the delicacy of ſome of thoſe who receive it.

" I appoint two thouſand millions towards forming an income of ten livres a month to all the children which ſhall be born in the kingdom, till they are three years of age; and I de-

ſire

ſire this legacy to be increaſed to thirty livres a month to thoſe children who ſhall be nurſed by their own mothers. I do not except even the children of the rich; on the contrary, I invite rich parents to accept this donation without reluctance, as an honorary prize awarded to paternity and the cares of maternal love. They may, if they pleaſe, apply it to acts of charity and benevolence.

" I appoint four thouſand millions towards purchaſing the waſte lands of the kingdom. Theſe ſhall be divided into five hundred thouſand little farms or tenements, of four or five acres each, on which ſhall be erected as many commodious cottages. Theſe five hundred thouſand farms ſhall be given as freeholds to an equal number of married peaſants, choſen in each pariſh by a veſtry compoſed of ten of the moſt aged inhabitants. The poſſeſſors of theſe freeholds ſhall be obliged to make them their only reſidence, to cultivate them with their own hands and thoſe of their families, and to report every year the improvements of them which they have made. Theſe freeholds ſhall be he-

reditary, but only upon condition that they ſhall neither be divided, nor any two of them engroſſed by one perſon. When a freeholder dies, without leaving behind him either wife, children, brothers, ſiſters, nephews, or nieces, who have lived and laboured with him for three years prior to his deceaſe, the freehold ſhall be declared vacant, and given anew, by the veſtry of the pariſh, to that peaſant who ſhall appear to deſerve it beſt.

"I deſire that two thouſand millions be laid out in purchaſing all the manors of which there ſhall be ſellers, and that the vaſſals thereon be for ever afterwards exempted from all ſervitude and fealty.

"Six thouſand millions ſhall be employed in founding houſes of education in all the country pariſhes, agreeable to the plan of the author of a work, entitled Patriotic Views reſpecting the Education of the People. If, in executing this plan of a man of genius, and an excellent citizen, it ſhould appear to want ſome little amendments and alterations, I direct that they ſhall be adopted.

"I

" I appoint twenty thouſand millions towards erecting in the kingdom forty thouſand houſes of labour, or public workhouſes; to each of which ſhall be appropriated from ten thouſand to fifty thouſand livres annual income. Every man and woman ſhall have a right to offer themſelves at any time to be maintained and employed in them. I chooſe to ſay nothing of any other particulars in the government and management of theſe houſes, hoping that the ideas which begin to be formed concerning eſtabliſhments of this kind, will be perfected before the period fixed for theſe ſhall arrive; and that it will at length be univerſally acknowledged, that though it is dangerous and fooliſh to give alms in money to a ſtrong beggar, yet that ſociety has no right to deprive him of his liberty, and inflict puniſhments upon him, while it does not hold out to him any other means of ſubſiſtence, or at leaſt point out to him a method of diſcovering what means he is capable of uſing.

" I entreat the managers of theſe public workhouſes, to give the greateſt encouragement to ſuch trades as can be performed by women. This

This ſex, ſo dear to all ſenſible minds, has been neglected or oppreſſed by all our inſtitutions. Seductions of all kinds ſeem to conſpire againſt their virtue. Neceſſity precipitates them involuntarily into an abyſs of infamy and miſery. The low price which is ſet upon the labour of women, is out of all proportion to the inferiority of their bodily ſtrength. Let the public work-houſes ſet the example of paying them better.

" There are in France many houſes of correction, where the miſconduct of women is ſeverely puniſhed, but where, in reality, it is only ſuſpended, mere confinement having no tendency to eradicate vice. Why ſhould there not be one eſtabliſhment, where a young woman, conquered by temptation, and on the brink of deſpair, might preſent herſelf, and ſay, " Vice offers me " gold; I only aſk for labour and bread. In " compaſſion to my remorſe, aſſiſt and ſtrengthen " me. Open an aſylum for me, where I may " weep without being ſeen, expiate thoſe faults " which purſue and overwhelm me, and recover " a ſhadow of peace." Such an inſtitution exiſts

iſts no where. I appoint, therefore, a thouſand millions towards eſtabliſhing one.

" The ſnares which are laid by vice for women without fortunes, would make fewer victims if more aſſiſtance was given them. We have an infinity of eſtabliſhments for perſons in the higher ranks of life, which do honour to the generoſity of our forefathers. Why have we none for this purpoſe? I deſire, therefore, that two thouſand millions be employed in eſtabliſhing in the kingdom a hundred hoſpitals, which ſhall be called Hoſpitals of Angels. There ſhall be admitted into each a hundred females, of the age of ſeven or eight years, and of the moſt engaging forms. They ſhall receive the moſt perfect education in regard to morals, uſeful knowledge, and agreeable accompliſhments. At the age of eighteen they may quit the hoſpital, in order to be married, at which period they ſhall each be paid a portion of forty thouſand livres. I mention this moderate ſum, becauſe it is my wiſh that they be neither reproached for want of fortune, nor eſpouſed from intereſt. An annual income of two thouſand livres ſhall be given

ven alſo to their parents, * * * *. Except once in the year, at a ſolemn and ſplendid proceſſion, they ſhall rarely appear in public, but ſhall be conſtantly employed in their aſylum, in learning all that can render them one day excellent wives and mothers.

" In order to fit them, in particular, for domeſtic œconomy, I deſire, that after they have been taught the moſt accurate ideas of expences of all kinds, queſtions be propoſed to them from time to time, to which they ſhall be obliged to give anſwers by word of mouth, and alſo in writing; as for example: " If you had ſuch and " ſuch an income, under ſuch and ſuch circum- " ſtances, how much would you appropriate to " your table, your houſe-rent, your maintenance, " and the education of your children? How " many ſervants would you keep? How much " would you reſerve for ſickneſs and unforeſeen " expences? How much would you conſecrate " to the relief of the unfortunate and the public " good? If your income depended either en- " tirely or in part upon a tranſient advantage, " or a place which was not aſſured to you, How " much

" much would you expend annually? What " ſum would you reſerve for forming a capital?" &c. &c. Prizes publicly given to the beſt anſwers to queſtions of this kind, would conſtitute, in my opinion, an exerciſe equally engaging, and more uſeful, than the little comedies and novels with which young perſons in the higher ſtations are generally entertained.

" The honours conferred upon great men have always appeared to me the moſt effectual means of producing great men. I appoint, therefore, a thouſand millions towards ſtriking medals, and placing in the halls of all towns, or in any other convenient places, ſtatues and buſts in honour of ſuch great men as ſhall hereafter riſe up. I deſire further, that theſe honours be not paid them till ten years after their deceaſe, and that they be decreed and proportioned by a tribunal, compoſed of ſuch upright, enlightened, and worthy citizens, as ſhall be moſt likely not to be dazzled by falſe virtues. It has been once reckoned, that founding hoſpitals for the ſick is one of the beſt public ſervices. For ſome years, a conviction has been gaining ground, that breathing the peſtilential

peſtilential air of hoſpitals doubles the danger of diſeaſes, and that on this, and other accounts, they probably deſtroy more lives than they ſave. I deſire, therefore, that ten thouſand millions be employed in eſtabliſhing in each pariſh of the kingdom Houſes of Health, in which ſhall be maintained a phyſician, a ſurgeon, and a convenient number of ſiſters of charity and nurſes. Theſe houſes ſhall ſupply the ſick gratis, in their own houſes, with every aſſiſtance in food and medicine, and none ſhall be taken to the Houſe of Health excepting thoſe whom it ſhall be impoſſible to aſſiſt at home.

"I have hitherto only directed the employment of about two hundred thouſand millions. There remain ſtill near four millions of millions, the appropriation of which I leave to the diſcretion of my executors. I wiſh them to purchaſe and pull down all ſuch houſes as incommode the public way in all towns; to multiply ſquares, quays, fountains, gardens, &c. in order to give ſalubrity to the air of towns; to empty ponds; to clear heaths; to deepen the beds of rivers, ſo as to render them navigable, and to unite them

by

by means of canals. In a word, I wiſh them to co-operate in every poſſible method with nature, which ſeems to have deſigned France to be the moſt delightful country under heaven.

"I hope that all good citizens will aſſiſt my executors in the choice of ſuch uſeful eſtabliſhments as ſhall yet remain to be formed. I call upon them to publiſh the ideas with which patriotic zeal may inſpire them, ſince now they are encouraged by the conſoling certainty, that funds for executing them cannot be wanting.

"I name for executors my deareſt and beſt friends M. M. - - - - - - - - - - -
(Here the teſtator names ſix executors, who do not think proper at preſent to reveal themſelves, and then goes on as follows:)

"I beg of them to meet as often as the affairs of my executorſhip ſhall require. In caſe of an equal diviſion of opinions, the oldeſt ſhall have the caſting vote. When one of them dies, I deſire the ſurvivors to fill the vacancy, as ſoon as may be, with the moſt honeſt, zealous, and diſintereſted

intereſted citizen of their acquaintance, and to proceed in this manner for ever. I hope that during the firſt years of their executorſhip, when the operations of the fund will be eaſy, they will tranſact in this buſineſs out of regard to me and to the public. I foreſee, that in proceſs of time the ſums to be laid out will become ſo immenſely great, as to render neceſſary voyages and other conſiderable expences, which will be productive of no profit. For this reaſon, I have left one hundred and twenty-five thouſand livres of the ſecond ſum, unappropriated; of the third, ſeven hundred and eleven thouſand; and of the fourth, thirty-two millions. Theſe ſums I requeſt them to accept, as a compenſation for their expences and trouble. I charge them always, as far as they can, without hazarding the ſecurity of the fund, to prefer thoſe ways of laying out the accumulating ſums which ſhall be moſt ſerviceable to individuals and the public.

"If a reduction in the rate of intereſt, or any unforeſeen loſſes, ſhould injure the fund, ſo as to retard its increaſe, the execution of my deſires need only be poſtponed, in proportion to the interruption that ſhall happen.

"May

" May the ſucceſs of theſe eſtabliſhments cauſe one day a few tears to be ſhed on my grave! But, above all, may the example of an obſcure individual kindle the emulation of patriots, princes, and public bodies; and engage them to give attention to this new, but powerful and infallible means, of ſerving poſterity, and contributing to the future improvement and happineſs of the world!"

Remark by the Translator.

It is to be obſerved, that if M. Ricard had directed the intereſt of the money to be laid out every three months, it would have wonderfully increaſed the ſums with the diſpoſal of which his executors are intruſted.

One hundred livres will amount, if improved at 5 per cent. intereſt,

	Paid yearly. Livres.	Half-yearly. Livres.
In 100 years, to	131,501	139,560
In 500 years, to	3,932,400,000,000	5,296,100,000,000

Paid quarterly.

In 100 years, to 143,890 livres.
In 500 years, to 6,166,000,000,000 livres.

If, therefore, the laſt 100 livres had been improved at 5 per cent. quarterly intereſt, his executors would have had an additional ſum of 2,234,000,000,000 livres, (nearly equal to a hundred thouſand millions Sterling), which is a ſum more than ſufficient to encompaſs the earth with a belt of guineas, all cloſe, and five feet broad.

No. VI.

No. VI. (Page 268).

EXTRACT of the Preamble to Cap. LXXI. of the 42d of the King.

"WHEREAS the public burdens may at this period be greatly alleviated, and the reduction of the national debt at the ſame time accelerated, by conſolidating the public debt, and the whole of the ſaid debt will thereby be redeemed *within forty-five years.*"

CLAUSE V. OF THE SAID ACT.

"And be it further enacted, That all monies whatever which ſhall be placed from time to time to the account of the ſaid Commiſſioners, by virtue of either of the ſaid recited acts, (except ſo far as the ſame are hereby repealed), or by virtue of this act, ſhall, and are hereby appropriated to, and ſhall accumulate in manner directed

rected by the ſaid acts, for the reduction of the national debt of Great Britain, and ſhall be from time to time applied by the ſaid Commiſſioners, purſuant to the directions, and under and according to the reſtrictions and proviſions of the ſaid recited acts, either in payment for the redemption, or in the purchaſe of the ſeveral redeemable public annuities of Great Britain, until the whole of the perpetual redeemable annuities, now charged upon the public funds of Great Britain, including ſuch charge as has ariſen, or may ariſe, on any loan made in Great Britain, before the paſſing of this act, and alſo ſuch charge as ſhall ariſe by any annuities, intereſts, and dividends, payable in conſequence of any loans made chargeable on the conſolidated fund, by an act paſſed in this ſeſſion of Parliament, entitled, *An Act for repealing the Duties on Income; for the effectual Collection of Arrears of the ſaid Duties, and accounting for the ſame, and for charging the annuities ſpecifically charged thereon upon the Conſolidated Fund of Great Britain*, ſhall have been completely redeemed or purchaſed, ſo as that the whole of the ſeveral redeemable public annuities now charged upon

upon the public funds of Great Britain, including ſuch reſpective charges as aforeſaid, *ſhall be paid off within forty-five years* from the reſpective periods of the creation of ſuch reſpective charges and public annuities as aforeſaid."

No. VII. (Page 269).

STATEMENT, ſhowing the Sum that muſt of neceſſity be abſtracted from Expenditure, and converted into Capital, every half-year, by an annual Income of L. 5,585,572, accumulated half-yearly, at 3 per cent. for forty-five years.

Years.		Years.	
½	2,792,786.	3½	20,451,555.66
	2,834,677.79		3,099,559.334
1	5,627,463.79	4	23,551,114.994
	2,877,197.956		3,146,052.724
1½	8,504,661.746	4½	26,697,167.718
	2,920,355.926		3,193,243.515
2	11,425,017.672	5	29,890,411.233
	2,964,161.265		3,241,142.168
2½	14,389,178.937	5½	33,131,553.401
	3,008,623.684		3,289,759.301
3	17,397,802.621	6	36,421,312.702
	3,053,753.039		3,339,105.690
	20,451,555.66	6½	39,760,418.392

Years.		Years.	
	39,760,418.392		83,959,591.434
	3,389,192.275		4,052,179.871
7	43,149,610.667	13	88,011,771.305
	3,440,030.160		4,112,962.569
7½	46,589,640.827	13½	92,124,733.874
	3,491,630.612		4,174,657.008
8	50,081,271.439	14	96,299,390.882
	3,544,005.071		4,237,276.863
8½	53,625,276.510	14½	100,536,667.745
	3,597,165.147		4,300,836.016
9	57,222,441.657	15	104,837,501.761
	3,651,122.624		4,365,348.526
9½	60,873,564.281	15½	109,202,850.287
	3,705,889.464		4,430,828.754
10	64,579,453.745	16	113,633,679.041
	3,761,477.806		4,497,291.185
10½	68,340,931.551	16½	118,130,970.226
	3,817,899.973		4,564,750.553
11	72,158,831.524	17	122,695,720.779
	3,875,168.472		4,633,221.811
11½	76,033,999.996	17½	127,328,942.590
	3,933,295.999		4,702,720.138
12	79,967,295.995	18	132,031,662.728
	3,992,295.439		4,773,260.940
12½	83,959,591.434	18½	136,804,923.668

Years.		Years.	
	136,804,923.668		199,987,765.383
	4,844,859.855		5,792,602.480
19	141,649,783.523	25	205,780,367.863
	4,917,532.752		5,879,491.517
19½	146,567,316.275	25½	211,659,859.380
	4,991,295.744		5,967,683.890
20	151,558,612.019	26	217,627,543.270
	5,066,165.180		6,057,199.149
20½	156,624,777.199	26½	223,684,742.419
	5,142,157.657		6,148,057.136
21	161,766,934.856	27	229,832,799.555
	5,219,290.022		6,240,277.993
21½	166,986,224.878	27½	236,073,077.548
	5,297,579.373		6,333,882.163
22	172,283,804.251	28	242,406,959.711
	5,377,043.063		6,428,890.395
22½	177,660,847.314	28½	248,835,850.106
	5,457,698.709		6,525,323.751
23	183,118,546.023	29	255,361,173.857
	5,539,564.190		6,623,203.607
23½	188,658,110.213	29½	261,984,377.464
	5,622,657.653		6,722,551.661
24	194,280,767.866	30	268,706,929.125
	5,706,997.517		6,823,389.936
24½	199,987,765.383	30½	275,530,319.061

Years.		Years.	
	275,530,319.061		365,850,368.958
	6,925,740.785		8,280,541.534
31	282,456,059.846	37	374,130,910.492
	7,029,626.897		8,404,749.657
31½	289,485,686.743	37½	382,535,660.149
	7,135,071.301		8,530,820.902
32	296,620,758.044	38	391,066,481.051
	7,242,097.370		8,658,783.215
32½	303,862,855.414	38½	399,725,264.266
	7,350,728.831		8,788,664.963
33	311,213,584.245	39	408,513,929.229
	7,460,989.763		8,920,494.938
33½	318,674,574.008	39½	417,434,424.167
	7,572,904.610		9,054,302.362
34	326,247,478.618	40	426,488,726.529
	7,686,498.179		9,190,116.897
34½	333,933,976.797	40½	435,678,843.426
	7,801,795.651		9,327,968.651
35	341,735,772.448	41	445,006,812.077
	7,918,822.586		9,467,888.181
35½	349,654,595.034	41½	454,474,700.258
	8,037,604.925		9,609,906.503
36	357,692,199.959	42	464,084,606.761
	8,158,168.999		9,754,055.101
36½	365,850,368.958	42½	473,838,661.862

Years.		Years.	
	473,838,661.862		503,987,503.693
	9,900,365.927		10,352,598.555
43	483,739,027.789	44½	514,340,102.248
	10,048,871.416		10,507,887.533
43½	493,787,899.205	45	* 524,847,989.781
	10,199,604.488		
44	503,987,503.693		

No. VIII.

* In Appendix, No. VIII. the annual ſum of L. 5,585,572 per annum, is ſtated as amounting in forty-five years, when accumulated at 3 per cent., to L. 528,395,000. This difference is ſuppoſed to ariſe from the calculation delivered into the Houſe of Commons proceeding on the ſuppoſition of a quarterly accumulation.

No. VIII. (Page 269).

THE following is the Statement of the Redemption of the National Debt, preſented to the Houſe of Commons, 7th April 1802.

Amount of Stock purchaſed in forty-five and forty-ſix Years, at the ſeveral rates of Intereſt 3, 3¼, 3⅓, 3½, and 4 per cent. by a Sinking Fund of L. 5,585,572 per annum.

	In 45 years.	In 46 years.
	£.	£.
At par, the conſolidated ſinking fund purchaſes, -	528,395,000	550,059,000
Conſolidated debt, 7th April 1802, - -	488,987,656	488,987,656
Surplus, - - -	39,407,344	61,071,344
At 3¼ per cent. is purchaſed,	612,737,000	639,020,000
Conſolidated debt, 7th April 1802, - - -	488,987,656	488,987,656
Surplus, - -	123,749,844	150,032,344

In

	In 45 years.	In 46 years.
	£.	£.
At 3½ per cent. is purchaſed, -	707,220,000	738,720,000
Conſolidated debt, 7th April 1802, - -	488,987,656	488,987,656
Surplus, - -	218,232,344	249,732,344
At 3¾ per cent. is purchaſed, -	812,395,000	850,370,000
Conſolidated debt, 7th April 1802, - -	488,987,656	488,987,656
Surplus, - -	323,407,344	361,382,344
At 4 per cent. is purchaſed, -	930,096,000	975,430,000
Conſolidated debt, 7th April 1802, - - -	488,987,656	488,987,656
Surplus, - -	441,108,344	486,442,344

No. IX. (Page 284).

Ετι ὴ κὴ ὲ τέτων μόνον ἕνεκα τῶν ἐρημῶν εὐφραίνῃ τὰ πεμπόμϐα παρὰ βασιλέως, ἀλλὰ τῷ ὄντι κὴ ἡδονῇ πολὺ διαφέρει τὰ ἀπὸ τῆς βασιλίσσης τροφῆς. Καὶ τῦτο μέντοι οὕτως ἔχειν οὐδέν τι θαυμαστόν· ὥσπερ γὸ κὴ ἄλλαι τέχναι διαφερόντως

τως ἐν ταῖς μεγάλαις πόλεσιν ἐξειργασμέναι εἰσὶ, κατὰ τὸν αὐτὸν τρόπον καὶ τὰ παρὰ βασιλεῖ σῖτα πολὺ διαφερόντως ἐκπεπόνηται. Εν μὲν γὰρ ταῖς μικραῖς πόλεσιν οἱ αὐτοὶ ποιοῦσι κλίνην, θύραν, ἄροτρον, τράπεζαν· (πολλάκις δ' ὁ αὐτὸς οὗτος καὶ οἰκοδομεῖ, καὶ ἀγαπᾷ ἢν καὶ οὕτως ἱκανοὺς αὐτὸν τρέφειν ἐργοδότας λαμβάνῃ· ἀδύνατον οὖν πολλὰ τεχνώμενον ἄνθρωπον πάντα καλῶς ποιεῖν)· ἐν δὲ ταῖς μεγάλαις πόλεσι, διὰ τὸ πολλοὺς ἑκάστου δεῖσθαι, ἀρκεῖ καὶ μία ἑκάστῳ τέχνη εἰς τὸ τρέφεσθαι· πολλάκις δὲ οὐδ' ὅλη μία, ἀλλ' ὑποδήματα ποιεῖ ὁ μὲν ἀνδρεῖα, ὁ δὲ γυναικεῖα. Εστι δὲ ἔνθα καὶ ὑποδήματα ὁ μὲν νευροῤῥαφῶν μόνον, τρέφεται, ὁ δὲ, σχίζων· ὁ δὲ χιτῶνας μόνον συντέμνων, ὁ δέ γε, τούτων οὐδὲν ποιῶν, ἀλλὰ συντιθεὶς ταῦτα. Ανάγκη οὖν, τὸ ἐν βραχυτάτῳ διατρίβοντα ἔργῳ, τοῦτον καὶ ἄριστα διηναγκάσθαι τοῦτο ποιεῖν. Τὸ αὐτὸ δὲ τοῦτο πέπονθε καὶ τὰ ἀμφὶ τὴν δίαιταν· ᾧ μὲν γὰρ ὁ αὐτος κλίνην στρώννυσι, τράπεζαν κοσμεῖ, μάττει, ὄψα ἄλλοτε ἀλλοῖα ποιεῖ, ἀνάγκη, οἶμαι, τούτῳ ὡς ἂν ἕκαστον προχωρῇ, οὕτως ἔχειν· ὅπου δὲ ἱκανὸν ἔργον ἑνὶ ἕψειν κρέα, ἄλλῳ ὀπτᾷν, ἄλλῳ δὲ ἰχθὺν ἕψειν, ἄλλῳ ὀπτᾷν· ἄλλῳ ἄρτους ποιεῖν, καὶ μηδὲ τούτους παντοδαποὺς, ἀλλὰ ἀρκεῖ ἂν ἓν εἶδος εὐδοκιμοῦν παράσχῃ· ἀνάγκη, οἶμαι, ταῦτα οὕτω ποιούμενα, πολὺ διαφερόντως ἐξειργάσθαι ἕκαστον.

XENOPHON de Cyri Inst. p. 576. Edit. HUTCH. in 4to.

No. X.

No. X. (Page 288).

"Nous inſiſterons particulièrement ſur les reſſources des méchaniques Angloiſes, parce que cette nation doit, en grande partie, la ſupériorité de ſa main-d'œuvre à l'uſage de ſes méchaniques, dans toutes les opérations où elles ont ſemblé praticables. En Angleterre, un courant d'eau fait, par ſon impulſion, agir en même temps des machines à décarder, à dégroſſir, et à réduire par degré le coton à la ténuité néceſſaire pour l'adapter à la filature, dont l'opération ſe fait par d'autres machines que le même courant d'eau fait mouvoir. Nous avons appris avec plaiſir, que dans la collection des méchaniques faites à Paris, par ordre du Conſeil, il en exiſte une très-parfaite en ce genre; mais il eſt très-preſſant de les multiplier et de les mettre en uſage. Cette tentative diſpendieuſe vient d'être entrepriſe à Louviers, avec aſſez de ſuccés pour ne pas faire regretter les avances qui y ont été faites; maïs quoique cette utile entrepriſe ſoit ſuivie

TRANSLATION.

"WE ſhall inſiſt principally on the reſources the Engliſh nation derives from machinery, becauſe that nation owes in a great meaſure the ſuperiority of its manufactures to the uſe of machinery in performing every operation in which it can be employed. In England, a ſmall rivulet ſets agoing machines which at once clean, card, and reduce the cotton into a ſtate adapted for ſpinning; which operation is alſo performed by other machines, put into motion by the ſame current of water. We have learnt with pleaſure, that in the collection of the machines made at Paris, by order of Council, there is one admirably calculated for executing theſe operations; and it is of the greateſt importance, that a number ſhould be made and introduced into uſe. This very expenſive undertaking has been juſt attempted at Louvier, with ſufficient ſucceſs to leave no room for regretting the expenditure it occaſioned. But although, in this inſtance, this very

ſuivie par des négociants et des manufacturiers riches et éclairés, il devient très-important que le Gouvernement François daigne encourager ſpécialement les premiers efforts de cette induſtrie, et ſe prêter aux diſpoſitions néceſſaires pour en aſſurer le ſuccès.

" Nous nous réuniſſons ſur cet objet, au vœu du mémoire que les intéreſſés ont donné à M. le Contrôleur-Général ; il préſente les demandes les mieux motivées, l'inſtruction la plus ſatisfaiſante ſur cette entrepriſe, à laquelle ces meſſieurs ont donné leur temps, leur zele et des fonds aſſez conſidérables.

" Nous ne nous diſſimulons pas que nous devons répondre aux objections qu'on pourroit faire, d'après l'opinion qui a long temps régné en France, que plus nos manufactures occupoient d'ouvriers, plus elles étoient utiles ; que l'on ne devoit pas trop chercher à ſimplifier les différentes

very uſeful undertaking has been gone into by ſome rich and enlightened manufacturers, to introduce it generally, it becomes very important that the French Government ſhould ſpecially encourage the firſt efforts of this ſort of induſtry, and that it ſhould make the neceſſary arrangements for inſuring its ſucceſs.

"On this ſubject we muſt join in enforcing the views contained in a memorial preſented by thoſe who are intereſted in the undertaking, to the Comptroller-General: the requeſts it contains are perfectly well grounded; and it affords the moſt ſatisfactory information on this undertaking, to the conduct of which theſe gentlemen have given up their time, and in which their zeal has made them embark a very conſiderable part of their funds.

"We do not hide from ourſelves, that it may be thought that we ought to anſwer to the objection uſually ſtarted on this ſubject, that it has been an opinion long entertained in France, that the more workmen our manufactories occupied, the more they were uſeful; that it is an

tes opérations des fabriques ; qu'il ne convenoit pas de faire faire à un ſeul ce qui pouvoit en faire ſubſiſter vingt. Nous ne nous étonnons pas, d'après ce principe, ſi on a moins cherché en France qu'en Angleterre à encourager les arts qui pouvoient diminuer le nombre des ouvriers employés à chaque opération ; ſi même on a cherché à les éloigner.

" Les Anglois ont vu la même choſe d'une maniere abſolument oppoſée : ils ont penſé que dans une nation riche et d'une grande agriculture, la main-d'œuvre devoit être chere ; que ſans une induſtrie particuliere, leurs manufactures ne pourroient lutter avec celles des pays où l'argent n'eſt pas ſi abondant ; qu'ils n'avoient d'autre moyen de conſerver l'avantage de leur côté, qu'en faiſant faire à un ſeul les opérations qui en occupoient pluſieurs ; qu'ils craindroient mal-à-propos qu'une partie de leurs ouvriers reſtât

error to endeavour to ſimplify too much the different operations in the conduct of a manufactory, inſomuch as it is a public loſs to do by the hand of one an operation in performing which twenty may acquire their livelihood. We are not aſtoniſhed, conſidering the prevalence of this opinion, that in France there has been leſs anxiety than in England to encourage thoſe devices which tend to diminiſh the number of workmen employed in the conduct of each operation; nay, we are not ſurpriſed that there have even been attempts made to diſcourage ſuch contrivances.

"The Engliſh nation have taken quite a different view of this ſubject: they have thought, in a rich and flouriſhing agricultural country, where the wages of labour muſt be dear, that without particular contrivances, their manufactures could not come into competition with thoſe of a poorer country; that they had, therefore, no other means of preſerving a ſuperiority, than by contriving to execute the ſame thing by one hand that uſed to occupy many; that it was a fooliſh ground of apprehenſion to dread that a

ſtât ſans travail, que s'ils pouvoient, en ſimplifiant leurs opérations, baiſſer le prix de leurs étoffes, ils en augmenteroient infiniment les débouchés et la conſommation ; qu'enfin le produit de leurs manufactures ſe conſommeroit dans l'étranger, ou dans leur propre pays ; que dans le premier cas, ils n'auroient la préférence qu'autant qu'ils vendroient à meilleur marché ; que dans le ſecond, ce ſeroit une injuſtice de ne pas employer tous les moyens qui pourroient les mettre à portée d'établir, par leur propre induſtrie, et ſans avoir recours à l'étranger, au prix le plus moderé poſſible, les choſes agréables, utiles ou néceſſaires à leurs concitoyens."—Obſervations de la Chambre du Commerce de Normandie, ſur le Traité de Commerce entre la France et l'Angleterre, p. 21.

" Il ſuffit de connoître la nature des établiſſemens de commerce dans ce pays, (Angleterre), pour ſentir tous les avantages qu'ils doivent avoir ſur ceux de France, même à circonſtances égales ; que ſera ce avec tous ceux que leur donnent leur conſtitution, la qualité de leurs productions,

part of their workmen would remain without employment; for that by ſimplifying the proceſs of manufacturing, they lowered the prices of their ſtuffs, and by that means augmented greatly the demand for them, and the conſumption of them. Finally, as the produce of their manufactures could only be conſumed abroad, or at home; that, in the firſt caſe, they could alone command a preference in the market, by ſelling at a lower price; and that, in the ſecond, in juſtice they owed to themſelves to employ every means that could be ſuggeſted, of eſtabliſhing by their own induſtry, without having recourſe to foreigners, the manufacture at the cheapeſt poſſible rate, of all thoſe things which are either uſeful or agreeable to their fellow-citizens."—Obſervations of the Chamber of Commerce of Normandy on the Commercial Treaty with England, p. 21.

"IT is ſufficient to be acquainted with the nature of commercial and manufacturing eſtabliſhments in England, to be convinced of all the advantages which that country muſt have over France, even without thoſe advantages which they muſt derive from their Government

ductions, la perfection à laquelle ils ont pouſſé leurs inventions pour améliorer leurs étoffes et diminuer le prix de la main-d'œuvre, et enfin l'abondance de leurs capitaux, et le bas prix de l'intérêt de l'argent.

" On ſentira que tous ces avantages les mettent en état de fournir leurs marchandiſes à bien meilleur marché, et de gagner où il n'y auroit que de la perte pour ceux qui n'en jouiſſent pas, ſans que le Gouvernement s'en mêle et faſſe des ſacrifices. C'eſt ſur quoi on entrera dans quelques détails.

" Les établiſſemens de tous genres d'induſtrie en Angleterre ſont très-conſiderables, et ſont ſoutenus par de très-gros fonds, parce que leurs entrepreneurs les ſuivent de père en fils ſans changer d'état, et que les fonds s'y accumulent, ainſi que les moyens et les talens, &c. ; ce qui les met en état de travailler en grand, de ſe pourvoir à l'avance abondamment et au meilleur marché, des

and Conſtitution, the quality of their productions, the perfection to which they have puſhed inventions for ameliorating their manufactures, and diminiſhing the coſt of manufacturing; and finally, the abundance of their capitals, and the low rate of the intereſt of money.

"It is plain, that all theſe advantages enable England to furniſh its merchandiſe much cheaper than France, and to gain by ſelling things at a price that would occaſion a loſs to a country which did not enjoy the ſame advantages; ſo that unleſs the Government of France lends aſſiſtance, and makes ſacrifices, there could be no competition. On this ſubject it is neceſſary to enter into ſome detail.

"The eſtabliſhments for the conduct of all ſorts of manufactures in England are on a great ſcale. They are ſupported by very large capitals. The manufacturers, from father to ſon, follow the ſame profeſſion; by which means, their funds accumulating, they can carry on very extended operations, provide for themſelves the raw materials at the cheapeſt rates, undertake

des matures premieres, de faire les plus grandes entrepriſes, et de fournir facilement et promptement aux demandes les plus fortes."—Seconde Partie du Recueil de divers Mémoires relatifs un Traité du Commerce avec l'Angleterre, p. 17.

No. XI.

the moſt extended commiſſions, and execute with eaſe at a moment the largeſt orders."— The Second Part of the Collection of Memorials relative to the Treaty with England, p. 17.

No. XI.

No. XI. (Page 289).

"It ſeemed a paradox, nay, almoſt a miracle, to all the world, that you loſt a whole continent, containing ſome millions of conſtant cuſtomers, and yet that you did not experience any conſiderable diſtreſs! Suppoſing the colonies purchaſed from England to the amount of three millions per annum; Mancheſter may reaſonably be ſuppoſed to have furniſhed at leaſt one-tenth part of this ſum; and one would think a demand to the amount of three hundred thouſand pounds a-year could not be loſt, without being very ſenſibly felt in that place and neighbourhood. The machines for carding, roving, and ſpinning cotton, thoſe ingenious machines that, in a fit of madneſs, your people have lately deſtroyed, can alone unfold the myſtery. Theſe machines, which ingenuity had long been labouring to produce, and which, about this time, were happily brought to a conſiderable degree of

of perfection, enabled you to make your goods better and cheaper than uſual; which produced new and extraordinary demands from the continent of Europe, and ſaved your work-people and manufactories from diſtreſs and ruin."—Letters on the Utility and Policy of employing Machines to ſhorten Labour, p. 9. Publiſhed in 1780.

"For the relief of the woollen manufactories, the remedy muſt, I think, be obvious. Let ſimilar machines to thoſe invented in Lancaſhire, but particularly adapted to carding and ſpinning of wool, be put into the hands of the wool and jerſey ſpinners, &c.; the conſequence of which will be, that the ſpinners will get three times as much money as they have hitherto been accuſtomed to do; that they will make much more yarn, much better and much cheaper, and conſequently that the manufactures will be ſo improved, and brought to market to ſo much greater advantage than uſual, that the demand will probably increaſe, even under all our preſent difficulties and obſtructions; and if peace ſhould ſoon be happily eſtabliſhed, and the way to foreign markets be made more open and eaſy, the

the proſpect of improvements, and of the extenſion of our woollen trade, would become great, and even boundleſs.

"We muſt change our methods of proceeding with the ſtate of things, which are always changing; or we muſt keep within our own iſland, and reſolutely cut off all communication with the reſt of the world. We cannot make cheap goods in dear times, and under high taxes, and expenſive habits of life, without extraordinary aſſiſtance. The competition of Europe is now become rather a conteſt in ſkill and ingenuity than in natural ſtrength."—Hints for the Improvement of the Woollen Manufacture, p. 30. Publiſhed in 1780.

"THE aid that has been given to labour in the cotton-manufacture by machinery, is not likely to be applied to the linen manufacture in any great degree. The fly-ſhuttle and the flax-mill are the principal aids lately acquired by the latter. The ingenuity of Mr ARKWRIGHT and others has done much for manufactures; but the nature of flax makes it difficult to apply to it the

the cotton-machinery, even to the degree that has been introduced into the woollen manufacture within three or four years, eſpecially in ſpinning and ſcribbling."—Obſervations on the Manufactures and Trade of Ireland, by Lord SHEFFIELD, p. 65.

"The ſurpriſing advances of chemiſtry, and the effects of its application to manufactures; the wonderful combinations of chemiſtry and mechanics, for the reduction of labour,—theſe are the happy means by which bankruptcy has been hitherto averted. The ſecurity of property, and the ſpirit of liberty diffuſed through the nation, have called forth the talents of our people. Britain has grown proſperous in ſpite of the wretched politics of her rulers. The genius of WATT, WEDGWOOD, and ARKWRIGHT, has counteracted the expence and folly of the American war."—Letters Commercial and Political, by JASPER WILSON, p. 7.

"THE following brief ſtatement will ſerve to exhibit the rapid progreſs of the cotton manufacture,

facture, as well as its preſent importance to the intereſts of the Britiſh Empire :—

" In the year 1765, cotton, as an article of commerce, was ſcarcely known in this country.

" A few years afterwards, Mr ARKWRIGHT obtained his patent for working cotton by machinery.

" In 1782, the whole produce of the cotton manufacture did not exceed two millions Sterling.

" In 1801, the import of cotton wool into Britain was forty-two millions of lbs.; and the eſtimated value of the cotton manufacture fifteen millions Sterling : ſuch was the rapid increaſe of this trade to the end of the year 1801.

" From the documents procured, it appears, that the import of this article in 1802 has not been leſs than fifty-four millions of lbs.; and the particulars of the trade are as follow :

" The

"The raw material, when delivered on board the merchant ſhips, now coſts about four millions Sterling. Upwards of thirty thouſand tons of ſhipping, and about two thouſand ſeamen, are conſtantly employed in bringing the cotton-wool to this country, and in exporting the goods manufactured from it. To work the wool into thread, requires a capital in building and machinery, to the amount of nine millions two hundred and twenty-five thouſand pounds; and thoſe buildings and machinery are chiefly compoſed of bricks, ſlates, glaſs, timber, lead, iron, copper, tin, and leather; from moſt of which, in one ſhape or other, a conſiderable duty is collected for the ſupport of the State.

"This trade gives employment or ſupport to upwards of eight hundred thouſand individuals, and the annual return of the manufacture is nearly as follows:

"Coſt of cotton in the countries where it grows, inſurance, freight, other ſhipping charges and merchant's profit, - - - L. 4,725,000

Carried forward, L. 4,725,000

Brought forward, L.	4,725,000
" The intereſt, at 5 per cent., upon the capital of L. 9,225,000, ſunk in building and machinery, with 10 per cent. for wear and tear of ditto, - - - - -	1,383,750
" Wages of ſpinning, value of materials conſumed in the proceſs of ſpinning the cotton into thread, and ſpinner's profit, - -	5,100,000
" Value of materials conſumed in ſubſequent manufactures, manufacturing wages, intereſt of capital and profit, - - -	9,000,000
L.	20,208,750

Of which ſum, at leaſt thirteen millions Sterling are paid in wages to the natives of Great Britain."—Obſervations on the Cotton Trade of Great Britain, printed at Glaſgow.

" SHOULD it be ſuppoſed that we have little to fear from foreign competition, it may be juſtly aſked, what is to become of the produce of the cotton-mills now eſtabliſhed in France, Pruſſia, Saxony,

Saxony, and other places upon the continent, where it can eaſily be proved, this manufacture is now in a more perfect ſtate than it was in this country twenty years ago? It is alſo well known, that ſome of theſe powers are holding out the moſt flattering inducements to many of our fellow-ſubjects, whom they imagine competent to the taſk, to go and put theſe eſtabliſhments upon an equal footing with the beſt in Britain; and out of ſo great a number now in the knowledge of this manufacture, it cannot be doubted that many individuals will be tempted by theſe offers."—*Ibid.*

No. XII. (Page 324).

STATEMENT of the population which a farm of 504 acres of fertile land will maintain, when under a judicious mode of cultivation, the inhabitants living entirely on vegetable food; and the numbers which can be ſupported on animal food by the produce of a like farm when in paſture.

"WITH a view to aſcertain this point with as much preciſion as the nature of the calculation will admit of, I called at the families of ſeveral labourers and mechanics in this place, who live entirely on vegetable food, to learn if poſſible the exact amount of their conſumption, which I knew, that, out of policy, they are always at pains to exaggerate. In the firſt houſe I entered, I luckily found the kettle full of potatoes, juſt ready to be put upon the fire, to be boiled for dinner: the family conſiſted of one man, his wife,

wife, and one child, a remarkable ſtout boy of eleven years of age. I was informed, they regularly dined and ſupped upon them every day, and that the quantity in the kettle ſerved them for both the meals. I immediately weighed the potatoes in the kettle, and found that they amounted to nine pounds avoirdupois, and was informed that eight pounds of oatmeal ſerved them for breakfaſt, in pottage, a week. The ſecond family I entered was compoſed of three men, one woman, and ſix healthy children, three of whom were born at one birth: this family alſo dined and ſupped upon potatoes; the quantity they had prepared to dreſs for dinner weighed thirteen pounds, and I was informed it required near four pounds oatmeal each day for their breakfaſt. After examining the conſumption of ſeveral families that had two meals of potatoes per day, I found, to my aſtoniſhment, that about $2\frac{1}{3}$ lbs. avoirdupois raw potatoes, and $5\frac{1}{3}$ ozs. good oatmeal, when made into pottage, did actually maintain, for one day, in good health and condition for labour, on an average, each individual of a family, compoſed of two parents and three children, as long as their ſtock of potatoes laſted. Having thus aſcertained the length

which potatoes and oatmeal will go as food, when a vegetable diet only is uſed, I ſhall proceed to calculate the quantum of population that the farm of 504 Engliſh ſtatute acres, fertile land, well cultivated, will maintain, under the following mode of cropping:

PRODUCE AFTER DEDUCTING SEED.

No.		*lbs. potatoes.*
I.	84 acres of potatoes, average produce of Lancaſhire 250 buſhels per acre, at 90 lbs., deducting 18 buſhels for ſeed, -	1,753,920
II.	84 acres wheat, at 30 buſhels per acre, at 58 lbs. per buſhel, deducting 3 lbs. per buſhel rough bran, product 2520 buſhels of meal, at 55 lbs. per buſhel, -	*lbs. meal.* 138,600
III.	84 acres peaſe and beans, at 24 buſhels, 2016 buſhels, one half eaten by the horſes on the farm; one-half, 1008 buſhels, at 40 lbs. meal per buſhel, -	40,320
	252 *acres.*	178,920

No.		*lbs. meal.*
252 *acres*,		178,920
IV. 84 acres barley, at 36 buſhels, 3024, at 46 lbs. meal per buſhel, -		139,104
		——— *lbs. bread.*
	Pounds meal,	318,024 or 397,530

V. 84 acres clover conſumed by cattle.

VI. 84 acres oats, at 60 buſhels, 5040 buſhels, 13,440 pecks of oatmeal, at 8 lbs. per peck.

504 *acres*,	1,753,920 lbs. potatoes, at $1\frac{1}{3}$ lbs. per meal to each individual, -	*Meals.*	1,312,940
Garden round. 26 *	397,530 lbs. bread, at $\frac{1}{4}$ lb. per meal to ditto, -		530,040
530 *acres*,	13,440 pecks oatmeal, at 24 meals per peck to do.		322,560

365 days, at 3 meals per day, 1095)2,165,540(1977

"In this manner, 504 acres of fertile land, the garden ground not included, will maintain, when well cultivated, 1977 people old and young; and if the population of Great Britain amounts to nine millions, it would require only 2,412,746 fertile acres, well cultivated, to maintain them when living on the ſame portions of vegetable food as the common people do in Scotland.

"I ſhall next proceed to inquire into the number of people which the ſame farm of 504 acres, in paſture, would maintain when living entirely on animal food.

"This branch of rural œconomy, of determining the quantity of animal food which land will produce, although of conſiderable importance, has never been properly attended to. Mr YOUNG, indeed, has begun the inveſtigation; but as yet it has been confined to aſcertain the fattening quality of different animals and vegetables. Upon conſulting ſeveral intelligent farmers, it ſeemed to be their opinion, that an acre of good graſs might, in the ſeaſon, increaſe the weight of the animals fed upon it twelve

ſtone,

ſtone, at 14 lbs. to the ſtone; which, at 5 s. per ſtone, would afford a good rent, and leave a handſome allowance for management and profit on the capital employed. Fixing, therefore, upon twelve ſtone as the quantum of animal food which an acre of our farm will produce; upon this data, the 504 acres will give 6048 ſtones, or 84,672 lbs. I have not been able to learn what proportion of weight the bones in the carcaſe of an ox bears to the fleſh; but allowing three quarters of a pound of bones and fleſh, on an average, to a meal for each individual, at 3 meals per day, 84,672 lbs. will ſupport an individual 37,632 days; or, in other words, the produce of the farm will ſupport a population of 103 individuals throughout the year; dividing theſe into 20 families, and allowing one-fourth of an acre of garden ground to each family, it amounts in all to 509 acres. Upon calculating from theſe data, it will be found, that it would require 44,475,728 fertile acres, to maintain the population of Great Britain, each individual, upon an average, conſuming $2\frac{1}{4}$ lbs. of butcher-meat per day; but the ſame number of acres would ſupport a population of 165,921,725 individuals

of all ages, if the inhabitants lived on the ſame portions of vegetable food which at preſent ſubſiſt the common labourers in Scotland."—*See Mr* MACKIE'*s ſecond Letter to the Editor of* DIROM'*s Inquiry into the Corn Laws, printed as a Supplement to that Work*, p. 241.

ON the ſame ſubject, there is much information to be found, Chapter II. of Mr ARTHUR YOUNG's Eſſay on the converſion of Graſs Lands into Tillage, printed in the third volume of Communications to the Board of Agriculture. That the number of the inhabitants of Great Britain nouriſhed on animal food has greatly increaſed is notorious. The proportions therefore of land requiſite to furniſh a man with animal food and with vegetable food, becomes a queſtion of the greateſt importance, and well deſerves the further conſideration of our writers on agriculture; for the ſolution of it will give the beſt, perhaps the only poſſible explanation of the extraordinary fact, (ſtated by the Lords Commiſſioners of the Council, in their report on the Corn Laws and Corn Trade, 1790), that this country, which from the year 1746 to

to the year 1765, exported on an average ſix hundred and fifty-one thouſand pounds worth of grain per annum,—has not for many years, notwithſtanding its great agricultural improvements, been able to raiſe a ſufficiency for its own inhabitants.

No. XIII.

No. XIII. (Page 338).

DRAPERIES.

" LES fabricans François de Louviers, Abbeville et Sedan, ne craignent point la concurrence de ceux Anglois: ils ſont même perſuadés que ſi ceux-ci trouvoient de la conſommation en France, ils en ſeroient dédommagés par celles qu'ils trouveroient en Angleterre. Ce ſeroit de part et d'autre l'effet du caprice des gens riches des deux nations; ainſi rien à craindre ni à gagner ſur l'objet des draps fins de la concurrence réciproque.

" Les draps communs et les petites draperies donnent lieu à des obſervations dont les reſultats ſont bien différens."—*Obſervations ſur le Replique de M. EDEN à M. DE RAYNEVAL. Recueil de divers Mémoires, relatifs au Traité de Commerce avec l'Angleterre*, p. 137.

" L'ANGLETERRE

TRANSLATION.

WOOLLEN CLOTHS.

"THE French manufacturers at Louviers, Abbeville, and Sedan, are not afraid of a competition with thoſe of England: they are even perſuaded, that if the latter ſhould find a demand for their goods in France, the French manufacturers would be indemnified by a demand for theirs in England. In both caſes, this would depend on the caprice of opulent perſons in the two countries; ſo there would be nothing either to fear or to gain from a reciprocal competition reſpecting ſuperfine cloths.

"The common and coarſe cloths furniſh obſervations of which the reſult is very different."
—Obſervations, &c. p. 137.

"IN

" L'ANGLETERRE a les moyens d'établir, dans tous les marchés étrangers, leurs draps ordinaires, et une grande quantité de petites étoffes de laines à des prix beaucoup au-deſſous de celles de France. C'eſt ce que l'on a vu conſtamment en Eſpagne, où les femmes du peuple ſont habillées généralement d'étoffes Angloiſes ; c'eſt ce que confirment tous les mémoires qu'ont fourni en dernier lieu les Conſuls de ce pays ; et ceux qu'ont fourni ceux d'Italie, preſentent exactement les mêmes détailes, ſans que les fabriques de France puiſſent entrer en concurrence avec les Anglois ſur la plupart de ces étoffes."—*Ibid.* p. 141.

" LES Anglois ſont forcés de rendre juſtice à la beauté des draps de Louviers, ainſi qu'à ceux d'Abbeville et de Sedan : ils ne peuvent ſi diſſimulés qu'ils ſont plus doux que les leurs ; et que les couleurs en ſont plus vives et plus ſéduiſantes."—*Obſervations de la Chambre du Commerce de Normandie ſur le Traité de Commerce entre la France et l'Angleterre*, p. 37.

" NOUS eſtimons que, dans les draps ordinaires de cinq quarts de large, et du prix de 15 à 16 liv.

"In all the foreign markets, England poſſeſſes the means of eſtabliſhing its common cloths, and a great quantity of coarſe woollen ſtuffs, at much lower prices than thoſe of France. This may be conſtantly ſeen in Spain, where the women of the lower orders are generally dreſſed in Engliſh ſtuffs; which is confirmed by the lateſt memorials from the Conſuls of that country: and ſuch as have been furniſhed by thoſe of Italy exhibit preciſely the ſame details; the manufactures of France being unable to ſuſtain a competition with thoſe of England reſpecting the greateſt part of thoſe ſtuffs."—Ibid. p. 141.

"The Engliſh are under the neceſſity of doing juſtice to the beauty of the broad cloths of Louviers, as well as thoſe of Abbeville and Sedan; they muſt confeſs that they are ſofter, and of a more vivid and captivating colour than thoſe of England."—Obſervations, &c. p. 37.

"We reckon, that as to common cloths, five quarters broad, and of the price of from 15 to 16

liv. l'aune, les fabriques d'Elbeuf ne pourront ſoutenir la concurrence des draps de Leeds, appellés draps de Briſtol, qui, dans le même laize, ne coûtent pas 11 liv. Tournois l'aune. Les fabricants d'Elbeuf ont plus de confiance dans leurs draperies plus fines."—*Ibid.* p. 41.

"Ce ſont donc les draps de Wiltz et de Gloceſter qui ſe débitent à Londres, qui pourront entrer en concurrence avec ceux de Louviers; et nous ne doutons pas que le Gouvernement Anglois ne ſe ſoit déjà occupé des moyens propres à encourager les fabricants de ces draps, à combattre non ſeulement en Angleterre, mais juſqu'en France même, la préférence à laquelle les draps d'Abbeville, de Sedan, et particulierement ceux de Louviers, peuvent prétendre aujourd'hui."—*Ibid.* p. 59.

"Les draps de Leeds, dits Refoulés et à Double Broche, obtiendront en général la préférence ſur ceux de Vire. Déjà depuis la paix, ces derniers ont perdu leur crédit chez les Americains; et il eſt certain qu'à meſure que la fineſſe de nos tiſſus

16 livres a-yard, the manufactures of Elbeuf cannot vie with the cloth manufactured at Leeds, that go by the name of Briſtol cloths, which, though of the ſame breadth, do not coſt 11 livres a-yard. The Elbeuf manufacturers have greater confidence in their cloths of a finer quality."—Ibid. p. 41.

"The cloths of Wiltſhire and Glouceſterſhire, which are brought to the London market, are thoſe which will enter into competition with the cloths of Louviers; and we have no doubt that the Engliſh Government have already taken the proper ſteps for encouraging the manufactures of thoſe cloths, in order to do away, not only in England, but even in France, the preference to which the cloths of Abbeville, Sedan, and eſpecially of Louviers, have at preſent pretenſions."—Ibid. p. 59.

"The cloths of Leeds, which they call Double Tweeled and Drab, will, in general, be preferred to thoſe of Vire. Already, ſince the peace, theſe laſt have loſt their credit with the Americans; and it is certain, that in proportion as our

tiſſus diminue, ou que nos draperies approchent des qualités communes, les draperies d'Angleterre ont un avantage ſenſible ſur les nôtres." —*Ibid.* p. 61.

SOIERIES.

" Celles de France l'emportent beaucoup ſur celles d'Angleterre, pour le goût ; ce qui, joint au bon marché, doit donner l'eſpoir bien fondé d'en importer beaucoup, ſi les droits ſont ſur un pied modéré."—*Recueil de Mémoires*, &c. p. 86.

M. DE RAYNEVAL a demandé, de la part de la France, qu'on fixât les droits, 1. Sur les vins, eaux-de-vie et vinaigres ; 2. Sur les ſoieries et modes ; 3. Sur la batiſte, linons et autres toiles ; 4. Sur les glaces.

" Quant au premier, M. EDEN eſpére qu'il a donné une réponſe ſatisfaiſante, pour ce qui eſt du

our ſtuffs diminiſh in fineneſs, or our cloths approach the common qualities, thoſe of England have an obvious advantage over ours."—Ibid. p. 61.

SILKS.

"THOSE of France have a decided advantage over thoſe of England in point of taſte; a circumſtance which, joined to their cheapneſs, furniſhes well-grounded hopes of a large quantity of that article being imported into England, if the duties are fixed on a moderate footing."—Collection of Memoirs, &c. p. 86.

"M. DE RAYNEVAL has demanded, on the part of France, that the duties ſhould be fixed; 1. Upon wines, brandy and vinegar; 2. Upon ſilks and millinery goods; 3. Upon cambric, lawns, and other linen cloths; 4. Upon glaſs.

"As to the firſt, Mr EDEN hopes he has given a ſatisfactory anſwer. With reſpect to the ſe-

du deuxième; comme la prohibition en Angleterre ſur les ſoieries venant de l'étranger eſt générale, excepté pour les crêpes de ſoie, et une eſpéce de ſoie appellée tiffanie, des manufactures d'Italie, qui peuvent y être introduites en payant un droit aſſez conſidérable, cette prohibition ne peut pas être abolie pour des raiſons aſſez connues, quoiqu'il y ait pluſieurs articles dans la ſoierie où l'Angleterre auroit grandement l'avantage ſur la France, nommément dans les rubans, peut-être auſſi dans les bas de ſoie, les gazes, et preſque toutes les étoffes mêlées de ſoie."—*Réplique de M. Eden à M. de Rayneval. Ibid.* p. 150.

Toileries.

" Celles de Saint Quentin ſont les ſeules de France que l'Angleterre ſoit dans le cas de conſommer; elle tire toutes ſes autres toiles d'Irlande, de la Suiſſe, de la Frandre et de l'Allemagne.

" Il s'eſt établi en Ecoſſe des fabriques de toiles de même genre que celles de Saint Quentin;

cond; as in England the prohibition of foreign ſilks is general, except ſilken crapes, and a kind of ſilk called *tiffany*, both Italian manufactures, which may be introduced on paying a conſiderable duty; that prohibition cannot be aboliſhed for reaſons ſufficiently known, although there are many articles in the ſilk manufacture wherein England would have greatly the advantage over France; in ribbons, for inſtance, perhaps alſo in ſilk ſtockings, gauzes, and in almoſt all ſtuffs mixed with ſilk."—Reply, &c. p. 150.

Linens.

"Those of St Quintin are the only French linens that find conſumption in England; all the reſt of her linens are drawn from Ireland, Switzerland, Flanders and Germany.

"Linen manufactures of the ſame kind with thoſe of St Quintin have been eſtabliſhed in

tin ; mais, malgré tous les encouragemens qu'elles reçoivent, elles ſont encore fort au-deſſous de celles-ci."—*Obſervations délivrées à M.* DE CALONNE, *ſur la Note fournie par le Miniſtre de France. Recueil de Mémoires*, p. 84.

" M. DE RAYNEVAL a demandé, de la part de la France, qu'on fixât les droits, 3°, ſur la batiſte, linons et autres toiles."—*Replique Confidentielle, remiſe par M.* EDEN *à M.* DE RAYNEVAL. *Recueil de Mémoires*, p. 150.

" QUANT aux troiſième, c'eſt-a-dire les batiſtes, linons et les autres toiles, M. EDEN a déjà répondu à ce qui concerne les toiles, et il croit à la ſatisfaction des Miniſtres de ſa Majeſté Très-Chretienne.

" Sa Majeſté ſera prête d'entrer en negociation pour lever les prohibitions ſur les batiſtes et linons importées de France, et de reduire les droits à environ 12 ou 15 per cent. ou 6 ſh. pour demi pièce, à l'entrée du Royaume aux batiſtes et linons de France, principalement aux plus fines,

Scotland; but notwithſtanding every encouragement given them, they are ſtill far inferior to the manufactures of St Quintin."—Obſervations, &c. p. 80.

"M. DE RAYNEVAL has demanded, on the part of France, that the duties ſhould be fixed, 3dly, on cambric, lawns, and other linens."—Confidential Reply, &c. p. 156.

"As to the third article, to wit, cambrics, lawns, and other linens, Mr EDEN has already anſwered as far as concerns linens, and, he believes, to the ſatisfaction of the Miniſters of his Moſt Chriſtian Majeſty.

"His Majeſty will be ready to enter into a negotiation for taking off the prohibition on cambrics and lawns imported from France, and to reduce the duty nearly to 12 or 15 per cent., or 6 s. for the half piece, upon the entrance of French cambrics and lawns into the kingdom,

fines, dans leſquelles les François excellent principalement."—*Ibid.* p. 154.

MODES.

"LE goût qui s'eſt introduit à Londres pour les modes Françoiſes, eſt ſuſceptible de la plus grande augmentation; il eſt donc très-intereſſant d'obtenir à l'admiſſion de celles de France, les conditions les plus amples et les plus favorables."—*Obſervations délivrées à M.* DE CALONNE, *ſur la Note fournie par le Miniſtre de France. Recueil de Mémoires*, p. 86.

"A l'égard de l'article des modes, que M. DE RAYNEVAL range avec celui des ſoieries, on penſe qu'il eſt à-propos de laiſſer cet article dans la claſſe de cette multitude d'objets qui ſeront compris dans la règle générale dont leurs Majeſtés ſont convenues."—*Replique Confidentielle, remiſe par M.* EDEN *à M.* DE RAYNEVAL. *Recueil de Mémoires*, p. 152.

"LA France a demandé l'entrée de ſes modes; M. EDEN renvoie cet article dans la claſſe des objets

eſpecially on the fineſt ſorts, in which the French chiefly excel."—Ibid. p. 154.

MILLINERY.

"THE taſte that has been introduced in London for French millinery is ſuſceptible of the greateſt augmentation; it is, therefore, of very great conſequence to obtain for the admiſſion of articles of this nature, made in France, the moſt ample and favourable terms."—Obſervations delivered to M. DE CALONNE, &c. Coll. Mem. p. 86.

"WITH regard to the article of millinery, which M. DE RAYNEVAL ranks with that of ſilks, it is thought it would be fitteſt to leave that article to be arranged along with that multitude of objects to be compriſed in the general rule on which their Majeſties are agreed."—Confidential Reply of Mr EDEN, &c. p. 152.

"FRANCE demanded the liberty to import into England millinery goods; Mr EDEN wiſhes

objets généraux, renvoyés à être traités comme la nation la plus favoriſée; tournure plus que ſuſpecte, ne pouvant ignorer que les modes ſont un genre de commerce qui eſt particulier à la France."—*Supplément aux Obſervations, &c.* p. 43.

" Le commerce des modes, qui eſt une branche intereſſante de celui de la France, et dans laquelle elle réuſſit ſi bien par le goût de ſes artiſtes, ſembloit devoir être une eſpece de compenſation et de dédommagement pour la France; mais l'Angleterre l'a rendu preſque illuſoire par les defenſes et les reſtrictions qu'elle met à leur admiſſion."—*Septieme Mémoire. Commerce que la France fait en Angleterre, en conſequence du Traité. Recueil*, p. 62.

" Malgré le dédain du patriotiſme Anglois pour nos modes et nos uſages, l'élégance de nos parures eût inſenſiblement triumphé de la réſiſtance nationale, ſi le Gouvernment Anglois n'en eût

to refer that article to the claſs of general objects; a ſtyle of anſwer more than ſuſpicious, as he cannot be ignorant that millinery is a ſort of manufacture peculiar to France."—Supplement to the Obſervations, &c. p. 43.

"MILLINERY, which is an intereſting branch of the commerce of France, and in which the taſte of her artiſts enables her to be ſo ſucceſsful, ſeems to be an article which ought to afford a kind of compenſation and indemnification for France; but England has rendered that advantage almoſt nugatory, by the prohibitions and reſtrictions ſhe impoſes upon its admiſſion."—Seventh Mem. &c. Coll. p. 62.

"IN ſpite of the contempt expreſſed by Engliſh patriotiſm for our millinery and articles of faſhion, the elegance of our dreſſes would have triumphed over the reſiſtance the nation made to receive them, if the Engliſh Government had not foreſeen the advantage we were likely to derive

eût pas prévu l'aſcendant."—*Obſervations de la Chambre du Commerce de Normandie*, p. 65.

GLACES.

"LES droits établis ſur celles de France équivalent à une prohibition. Il ſeroit, ſans doute, fort intereſſant d'obtenir une modération qui pût donner lieu à une introduction plus forte." —*Obſervations délivrées à M.* DE CALONNE, *ſur la Note fournie par le Miniſtre de France. Recueil de Mémoires*, p. 87.

"M. DE RAYNENAL a demandé, de la part de la France, qu'on fixât les droits, 4°, ſur les glaces."—*Replique Confidentielle, remiſe par M.* EDEN *à M.* DE RAYNEVAL. *Recueil de Mémoires*, p. 150.

"QUANT au quatrieme, pour ce qui concerne les glaces, les Miniſtres d'Angleterre penſent qu'il eſt queſtion tant des glaces pour les miroirs, que d'autres eſpeces de verres plats; et ils ſont à même de prendre des informations pour conſtater s'il eſt poſſible de fixer un certain droit ſur lequel

rive from it."—Obſervations of the Chamber of Commerce of Normandy, p. 65.

GLASS.

"THE duties impoſed on thoſe of France are equivalent to a prohibition; it would no doubt be of very great conſequence to obtain a diminution, which would give a proſpect of a greater quantity being introduced into England."—Obſervations delivered to M. CALONNE, &c. p. 87.

"M. DE RAYNEVAL has demanded, on the part of France, that the duties on importation in England ſhould be fixed, 4thly, on glaſs." —Confidential Reply delivered by Mr EDEN, p. 150.

"As to the fourth demand, which concerns glaſs, the Engliſh Miniſtry thinks that it is neceſſary to take under conſideration not only glaſs in the ſhape of mirrors, but all other ſorts of flat glaſs; and they are at preſent occupying themſelves to get information, that will enable them to

lequel cette marchandiſe peut être impoſée dans l'un et l'autre royaume."—*Ibid.* p. 156.

"POUR ce qui regarde les glaces, attendu que les etabliſſemens de France ſont bornés, et ne ſont pas ſuſceptibles d'une grande augmentation, par rapport à la diſette des bois, qui deviennent tous les jours plus rares. Mais il n'en ſeroit peut-être pas de même vis-à-vis de l'Angleterre, pour les criſtaux, qu'elle ſeroit dans le cas de fournir à la France, vu la grande ſuperiorité qu'elle a dans ce genre d'induſtrie."—*Obſervations ſur le Replique*, &c. p. 157.

PORCELAINE.

"M. EDEN ajoutera ici, que les Miniſtres de ſa Majeſté Très-Chretienne ſouhaitent peut-être que la meilleure porcelaine François ſoit admiſe en Angleterre, ſur un droit raiſonable: Les Miniſtres d'Angleterre ſouhaitent auſſi, qu'il ſoit fait quelque changement ſur les droits que la fayence et la poterie devroient payer à la

to aſcertain whether it is poſſible to fix certain rates of duties, under which this ſort of merchandiſe may be admitted into the one and the other kingdom."—Ibid. p. 156.

"As to what regards glaſs, it muſt be obſerved, that the eſtabliſhments in France are limited, and are not ſuſceptible of great augmentation, upon account of the deficiency of fuel, which becomes every day more ſcarce. But this, perhaps, would not be the caſe with England, in relation to articles of cryſtal, with which ſhe would certainly furniſh France, conſidering the great ſuperiority ſhe enjoys in this ſort of manufacture."—Obſervations on the Reply, &c. p. 157.

China.

"Mr Eden muſt here add, that as the Miniſters of his Moſt Chriſtian Majeſty may perhaps wiſh that the fine French china ſhould be admitted into England, on paying a moderate duty; ſo the Engliſh Miniſters wiſh that there ſhould be ſome change made on the duties which ſtone-ware and coarſer ſorts of pottery

are

la concluſion de ce Traité, en vertu du premier artiele des deux déclarations."—*Replique de M. EDEN*, p. 156.

" CETTE derniere inſinuation de M. EDEN ſur la porcelaine, ſur la fayence et poterie, donne lieu à quelques réflexions.

" La porcelaine de France peut être recherchée en Angleterre. On doute cependant que cet objet d'induſtrie qui eſt très-cher, et par conſequent ne peut être qu'à la portée des gens très-riches, pût donner lieu à une exportation importante.

" Mais la poterie et la fayence ne ſont pas dans ce cas là : les Anglois ont ſur ces deux objets une ſupériorité décidée ſur les François."—*Suite des Obſervations ſur le Replique de M. EDEN*, p. 158.

ORFEVRERIE, BEJOUTERIE, QUINCAILLERIE.

" ON eſt perſuadé que la France a l'avantage ſur

are to pay at the concluſion of this Treaty, in a manner conſiſtent with the ſpirit of the firſt article of the two declarations."—Reply of Mr EDEN, &c. p. 156.

"THIS laſt inſinuation of Mr EDEN, on the ſubject of china, ſtoneware and pottery, gives riſe to ſome ſerious reflections.

"The china of France may be in high eſteem in England. It is a matter of doubt, however, whether this article of manufacture, which is very high priced, and which of courſe can only be ſought after by men of great fortune, can be exported to any great extent.

"But the pottery and ſtoneware of England are not in the ſame ſituation, and the Engliſh have on theſe two articles a moſt decided ſuperiority over the French."—Sequel of the Obſervations on the Reply to Mr EDEN, p. 158.

GOLDSMITHS WARE, JEWELLERY AND HARDWARE.

"THERE is a general conviction that France has

ſur les articles d'orfévrerie et de bejouterie ſur l'Angleterre, par le goût et le talent de ſes artiſtes. Il eſt queſtion de ſavoir s'ils ſont ſujets, en Angleterre, aux mêmes droits et aux mêmes loix qu'en France: parce que ſi les droits en France étoient plus forts, et les loix plus gênantes, il faudroit mettre les François de niveau, par une prime proportionnée à la ſortie et par des modifications ſur les loix."—*Obſervations délivrées à M.* DE CALONNE, p. 88.

"POUR ſervir de compenſation à ces avantages, qui certainement ſont très-importans, on attend que la France ſe prêtera de ſon côté à des arrangemens dont la Grande Bretagne puiſſe profiter à ſon tour. On eſpère donc que la quincaillerie, en y comprenant tous les ouvrages d'acier et de fer, ſera admiſe mutuellement en payant des droits modérés."—*Replique de M.* EDEN, p. 132.

"L'ENTRÉE des quincailleries d'Angleterre eſt

has the advantage over England in articles of goldſmiths ware and jewellery, in conſequence of the taſte and talents of her artiſts. It becomes, therefore, an intereſting circumſtance, to learn whether theſe articles, on exportation, are ſubject to the ſame rates and regulations in England as in France; becauſe, if in France the duties are greater, and the regulations throw more difficulty in the way of exportation, it would be neceſſary to put the French artiſts upon an equality, by moderating the reſtraints of the law, and giving a proportional bounty on exportation."—Obſervations delivered to M. DE CALONNE, p. 88.

"To ſerve as a compenſation for theſe advantages, which certainly are very important, it is expected that France, on her ſide, will adopt arrangements by which Great Britain may acquire ſimilar advantages. For this purpoſe, it is expected that the hardware, comprehending all works in ſteel and iron, may be mutually admitted by the two countries at a moderate rate of duty."—Reply of Mr EDEN, p. 132.

"THE exportation of the hardware of Eng-

eſt défendue en France ; elles entrent en contrebande. L'Angleterre a, ſur cet objet d'induſtrie, un avantage infini ſur la France, dont les établiſſemens dans ce genre ſont ſi inferieurs à tous égards, qu'ils ne peuvent entrer en comparaiſon."—*Obſervations*, &c. p. 133.

" L'ANGLETERRE poſſede abſolument l'objet de quincaillerie ; et eſt depuis long temps en poſſeſſion d'en approviſionner, en contrebande, la France, qui eſt ſi arriérée dans ce genre d'induſtrie, qu'à peine eſt elle en état de ſe ſuffire pour les objets les plus groſſiers."—*Recherches ſur ce qui eſt relatif aux étoffes de Cotton, aux Quincaillerie, &c. Quatrieme Mémoire relatif au Traité de Commerce*, p. 37.

No. XIV.

land is prohibited in France. Great quantities of it, however, are ſmuggled into that country. England has, in the manufacture of thoſe articles, an infinite advantage over France, whoſe manufactories of theſe goods are ſo far inferior in every reſpect, that they cannot ſtand a compariſon."—Obſervations on the Reply of Mr EDEN, p. 133.

"ENGLAND poſſeſſes a complete ſuperiority in the manufacture of hardware. For a long time ſhe has been accuſtomed, by means of ſmuggling, to ſupply France with thoſe articles, who is ſo far behind hand in this manufacture, that ſhe is ſcarcely in a condition to ſupply herſelf even with the moſt common and coarſe articles."—Reſearch into what relates to the manufactures of Cotton and Hardware. 4th Memoir on the Effects of the Commercial Treaty, p. 37.

No. XIV. (Page ~~269~~ 344).

EXTRAIT d'une Lettre de Mr. la Marquiſe de * * AM. *. Du 17. Août 1767.

" J'AI fait une route ſuperbe juſqu'à Poitiers, par Orléans, Blois, Tours, et Poitiers, ou pour mieux dire, juſqu'aux Ormes de M. d'ARGENSON; car des Ormes à Poitiers, il y a beaucoup de terrein qui ne rapporte rien, et depuis Poitiers juſque chez moi, il y a vingt-cinq mille arpens de terrein qui ne ſont que de la brande et des joncs marins; les Payſans y vivent de ſeigle, dont on n'ôte pas le ſon qui eſt noir et lourd comme du plomb; dans le Poitou et ici, on ne laboure que l'épiderme de la terre avec une petite vilaine charrue ſans roues, dont je ne puis vous faire la deſcription, qui oblige l'homme d'être preſque couché comme une bête à quatre

TRANSLATION.

EXTRACT of a Letter from the Marchioneſs of —— AM. Dated 17th Auguſt 1767.

"I TRAVELLED through a fine country to Poitiers, by Orleans, Blois and Tours, to Poitiers, or rather, I may ſay, till I reached the elms of M. ARGENSON; for from theſe elms to Poitiers there is a great deal of ground that carries nothing, and from Poitiers to my houſe there are twenty-five thouſand acres that carry nothing but bruſhwood and ſea-ruſhes. The peaſantry live on bread made of rye, from which the bran is not abſtracted, which is black, and as heavy as lead. In Poitou as well as here, they only ſcratch the mere ſurface of the earth with a little naſty plough without wheels, which I can hardly deſcribe to you; it obliges the man to be

quatre pattes, cela fait pleurer à voir. Chez moi cette affligeante charrue va avec deux bœufs très-doucement, en Poitou elle va avec deux ânes. Depuis Poitiers juſqu'à Montmorillon, il y a neuf lieues qui en valent ſeize de Paris, et je vous jure que je n'ai vu que quatre hommes, et trois de Montmorillon chez moi, où il y a quatre lieues, encore les avons nous apperçus de loin, car nous n'en avons pas trouvé un ſeul ſur le chemin. Vous n'en ſerez pas étonné dans un tel pays, je le ſuis fort que ces pauvres Métayers ne fuient pas tant de malheurs et de miſere, et les Propriétaires ſont bien heureux qu'un ſentiment pour le Pays natal, ou pour mieux dire l'amour conjugal et paterniel les empêche de déſerter, et de finir une vie ſi dure et ſi miſérable : on a ſoin de les marier d'auſſi bonne heure que les Grands Seigneurs, le pays n'en eſt pas plus peuplé, car preſque tous les enfans meurent ; les femmes n'y ont preſque pas de lait, les enfans d'un an mangent de ce pain dont je vous ai parlé ; auſſi une fille de quatre ans a le ventre gros comme une femme enceinte. Si ces bonnes gens devenoient donc éclairés, les Propriétaires ſe trouveroient avec beaucoup de terrein réduits

almoſt on all fours when he is working it; the ſight of it makes one miſerable. With us this ſorry plough is worked with two oxen, and in Poitou with two aſſes. From Poitiers to Montmorillon they count nine leagues, which are equal to ſixteen Paris leagues, and I ſwear to you, that in all that country I only ſaw four men; and from Montmorillon to my houſe, which is four leagues, only three, and thoſe we only ſaw afar off, for we did not meet one perſon on the road. I do not know whether you are aſtoniſhed, I am ſure I am very much, that in ſuch a country the poor tenantry do not run away from ſuch a ſtate of miſery and misfortune. The proprietors are very happy that a prejudice in favour of their native ſoil, or rather the love of their wives and families, prevents them from deſerting, or from putting an end to a life of ſuch hardſhip and miſery. They marry as early as their landlords; but the country is not better peopled on that account; for almoſt all the children die; the women have hardly any milk; the children at one year old eat that black bread of rye I have mentioned; and a girl of four years old has a belly as big as a woman with

duits à mourir de faim, et il ne ſeroit plus queſtion des impôts qui écraſent ces malheureux. Les ſeigles ont été gêlés cette année le jour de Paques, il y a peu de froment. De douze métairies qu'a ma mere, il y en a peut-être dans quatre. Il n'a pas plu depuis Paques, peu de foin, point de pâturage, aucun légumes, point de fruit: voilà l'état du pauvre Payſan, par conſequent point d'engrais de beſtiaux: la Taille eſt ici beaucoup plus forte à proportion qu'en Champagne. Tout le monde dit du bien de M. T***, mais on ſais qu'il n'eſt pas le maitre de faire tout le bien qu'il deſire; ma mere qui avoit toujours pluſieurs de ſes grêniers pleins, n'y a pas un grain de bled, parceque depuis deux ans elle nourrit tous ces Métayers et les Pauvres, car elle ſuit la morale de votre doctrine, elle donne à manger à ceux qui ont faim, à boire à ceux qui ont ſoif, panſe les bleſſés, conſole les affligés, et mêne une vie plus douce que les plus grandes Dames de la Cour."—*Ephémerides du Citoyen*, 1767, *Tome Neuvieme*, p. 146.

"J'AI

child. If theſe poor people became more enlightened, the proprietors would find themſelves poſſeſſing great extent of territory, and reduced to die of hunger; and taxes, which reduce theſe people to abſolute miſery, would be out of the queſtion. The rye was froſt-bit this year at Eaſter, and they have very little wheat. Out of twelve farms which my mother has, there is, perhaps, a little in four of them. It has not rained ſince Eaſter; there is no hay, no paſture, no vegetables, no fruit; of courſe the animals cannot be fattened. Such is the ſtate of the poor peaſantry. The poll-tax is higher here than in Champaign. All the world ſpeak well of M. TURGOT, but they know he has it not in his power to do all the good he would wiſh. My mother, who had always ſeveral granaries full, has now not a ſingle grain of corn; for during two years ſhe has fed the tenantry and the poor. She, poor woman! follows the old maxim, of giving meat to thoſe who are hungry, and drink to thoſe who are thirſty; ſhe takes care of the wounded, comforts the afflicted, and leads a life of greater ſatisfaction than that of the fineſt ladies of the Court."—Ephémerides du Citoyen, 1767, vol. IX. p. 146.

EXTRACT

" J'ai parcouru une grande partie des Provinces de Touraine, de Poitou, du Limoſin, de la Marche, du Berry, de la Xaintonge, de l'Angoumois ; j'ai arpenté pluſieurs Domains, j'ai tiré des Mémoires des autres Provinces, j'ai pris les produits et le prix de pluſieurs années ; on en verra les réſultats dans les articles ſuivants, et on ſera ſans doute étonné que dans toutes les terres de petite culture, il n'y ait preſque aucun *produit net*, que le Roi ſoit, mais fort à ſon déſavantage, le ſeul propriétaire de plus de la moitié des terres de ſon Royaume. La moiſſon de ces terres ſuffit à peine pour la ſubſiſtance des Cultivateurs ; en ſorte que ne contribuant point ou très peu à la nourriture des autres claſſes d'hommes de la Nation, les mauvaiſes années ſont fort redoubtables en France par la diſette, qui s'étend juſqu'aux Colons mêmes reduits à cette petite culture, d'où s'en ſuit, que par rapport à l'état,

on

EXTRACT from the Apology made for the diſtinction betwixt the Great and the Little Mode of Cultivation, by M. BUTRE', of the Societies of Agriculture of Paris and Orleans.

"I HAVE gone over a great part of the provinces of Touraine, Poitou, Limoſin, Marche, Berry, Xantonge, Angoumois. I have meaſured moſt of the eſtates in thoſe countries; I have drawn up memorials from the different provinces; I made accounts of the produce and the price for ſeveral years, and the reſult will appear from the following articles. It will no doubt appear extraordinary, that all thoſe eſtates which are cultivated by poor tenantry, without capital, there is almoſt no ſum to be carried to account after paying the expences and taxes; that the King, very much to his diſadvantage, is thus the ſole proprietor of half the lands in his kingdom. The produce of theſe lands being ſcarcely ſufficient to nouriſh thoſe who cultivate them, can in a manner contribute nothing to the nouriſhment of the other claſſes in the kingdom. A bad ſeaſon muſt of courſe afflict France with

on peut regarder les terres qui y ſont employées à peu pres comme en non valeur ; ainſi nous pouvons en ce ſens faire remarquer, qu'il y a dans le Royaume beaucoup plus de terres en friches que l'on ne penſe."—*Ibid.* p. 9.

CARSE

famine that extend itſelf to all thoſe who are employed in conducting this ſorry ſpecies of cultivation; from which it follows, that with reſpect to the State at large, theſe lands are in a manner of no value, which authoriſes us to remark, that there is much more waſte land in the kingdom than people think of."—Ibid. p. 9.

CARSE OF GOWRIE.

"THE Vale or Carſe of Gowrie, ſo much celebrated for its fertility, merits a particular and ſeparate deſcription, which, however, ſhall be made as conciſe as poſſible.

"This valuable tract is ſituated in the eaſt corner of the county of Perth, and is every where ſkirted by high hills, except on the ſouth, where it is bounded by the frith and river of Tay, both of which have been long and juſtly famed for the great numbers of ſalmon with which they abound.

"The Carſe of Gowrie, including the ſloping lands on the northern boundary, contains about thirty thouſand Engliſh ſtatute acres. The rent of thoſe farms which have been let within theſe eight or ten years, may be reckoned at rather above 35 s. the Engliſh acre.

"The

"The ſoil in the vale or plain is a deep rich clay; on the ſides of the hills a hazle-coloured loam moſt generally prevails. In ſtating the groſs annual produce of the ſoil, (which, it is believed, is equal in quantity and value to any other diſtrict of ſimilar extent in Britain, the vicinity of large cities or manufacturing towns only excepted), it may be proper to obſerve, that the mode of cropping generally approved of, and now for the moſt part adopted, is, 1. Fallow; 2. Wheat; 3. Peaſe or beans; 4. Barley with red clover, and a ſmall quantity of rye-graſs; 5. Graſs; and, 6. Oats; and as all the crops are cultivated in equal proportions, the following table will ſhow, not only the average returns, but alſo the prices at which they have been ſold for a number of years bypaſt; and may at the ſame time be depended upon, as being more correct in regard to data than tables of this kind generally are.

"A

"A TABLE, exhibiting the Extent and Value of the annual Groſs Produce of the Carſe of Gowrie, ſuppoſing it to contain 30,000 Engliſh Acres, and to be all cultivated agreeable to the Rotation above mentioned.

Rotation and number of Acres.	Average produce per acre in Buſhels.	Total produce in Winchester quarters.	Average prices per quarter.	Total crop of hay, in ſtones of 22 lb. Amſterdam.	Average price of hay per ſtone.	Value in Money.
			s. d.			L. s. d.
5000 fallow,						
5000 wheat,	27	16,875	43	—	—	36,281 5 0
5000 peaſe or beans, -	23	14,375	27 4	—	—	19,645 16 8
5000 barley,	38	23,750	21 10	—	—	25,927 1 8
5000 graſs, which may average 140 ſtone of hay per acre, -	—	—	—	700,000	7 d.	21,416 13 4
5000 oats, -	46½	29,062½	20 4	—	—	29,546 17 0
Produce of orchards, -	—	—	—	—	—	1000 0 0
30,000 acres		84,062½		700,000		132,817 13 8

"BY

"By this table, it appears, that the annual groſs produce of grain in this diſtrict may be eſtimated at upwards of eighty-four thouſand Wincheſter quarters. But as on many farms rotations of cropping are adopted, whereby more than one-ſixth part is every year under wheat, it is probable that the value of the crops is rather above than below what is ſtated.

"In no part of the iſland are more luxuriant crops of red clover to be ſeen than in the Carſe of Gowrie. The ſecond crop is frequently made into hay, and the third is often mown, for the purpoſe of feeding the horſes in the ſtable, and the cattle in the ſtraw-yards.

"As the inhabitants of the diſtrict do not exceed eight thouſand, it is evident that the exports of grain muſt be very great indeed. Glaſgow is the principal market, though large quantities are alſo ſent to London, Leith, and other places on the ſouth-eaſt coaſt.

"The size of the farms are in general from one to three hundred acres; but the greatest proportion is occupied by farmers who possess upwards of two hundred acres."

STATE

PRINTED BY A. NEILL & CO.
EDINBURGH.

TATE of the Annual Expence neceſſarily laid out in t
inning at July 20. 1787, and ending at July 20. 179:

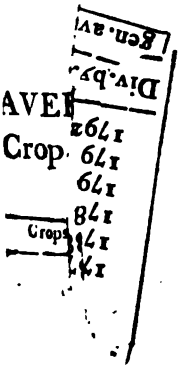
ears.	Rent.	Seeds of corn and graſs.			Servants Wages. Farm ſervants.			Shearers.			Meal uſed			
		L.	s.	D.	L.	s.	D.	L.	s.	D.	B.	F.	P.	L.
788		196	3	6	81	10	0	34	14	0	92	1	0	7
789		203	2	4	77	10	8	36	4	7½	90	1	3	5
790		237	1	6	94	11	8	40	14	4½	84	3	2	6
791		229	1	1	77	19	0	37	3	11	89	2	0	7
792		213	11	10	83	10	6	43	17	0	78	2	0	6
793		253	1	10	72	16	6	48	15	2	75	1	0	6
v. by 6,		1332	2	1	487	18	4	241	9	1	510	3	1	39
1. aver.		222	4	1⅙	81	6	4⅓	40	4	10	85	0	2⅙	6

As the rent of any particular farm would not apply to the country

The annual expence of the farm, on an average of ſix years, is, by
ultivating e

The charg
noney and

Petty di
Agricult



RETURN TO ⟶ **CIRCULATION DEPARTMENT**
202 Main Library

LOAN PERIOD 1 **HOME USE**	2	3
4	5	6

ALL BOOKS MAY BE RECALLED AFTER 7 DAYS
1-month loans may be renewed by calling 642-3405
6-month loans may be recharged by bringing books to Circulation Desk
Renewals and recharges may be made 4 days prior to due date

DUE AS STAMPED BELOW

JUL 10 1987

HOLD ON BOOK

AUG 15 1987

7 DAY USE

AUTO. DISC

AUG 18 1987

AUG 01 2002

NOV 14 2002

UNIVERSITY OF CALIFORNIA, BERKELEY
FORM NO. DD6, 60m, 3/80 BERKELEY, CA 94720

U.C. BERKELEY LIBRARIES
B003000072